



WAREHOUSING



CONTAINER DEPOT



DELIVERING SUCCESS TOGETHER

ANNUAL REPORT 2022



CONTAINER HAULAGE

CROSS BORDER TRANSPORTATION



INLAND DISTRIBUTION



FREIGHT FORWARDING





CONTENTS

2	<i>Swift Group At a Glance</i>
4	<i>Corporate Milestones</i>
6	<i>Corporate Profile</i>
8	<i>Core Services</i>
10	<i>Awards & Recognitions</i>
12	<i>Corporate Information</i>
13	<i>Corporate Structure</i>
14	<i>Chairman's & GCEO'S Joint Statement</i>
18	<i>Management Discussion & Analysis</i>
26	<i>Sustainability Statement</i>
52	<i>Board of Directors</i>
54	<i>Board of Directors' Profile</i>
58	<i>Key Senior Management</i>
59	<i>Key Senior Management's Profile</i>
64	<i>Corporate Governance Overview Statement</i>
76	<i>Audit & Risk Management Committee Report</i>
79	<i>Statement on Risk Management and Internal Control</i>
83	<i>Additional Compliance Information</i>
84	<i>Statement of Directors' Responsibility For Preparation of The Financial Statements</i>
85	<i>Financial Statements</i>
194	<i>List of Properties</i>
196	<i>Analysis of Shareholdings</i>
198	<i>Swift Group Directory</i>
201	<i>Notice of the 23rd Annual General Meeting</i>
	<i>Form of Proxy</i>

SWIFT GROUP

At A Glance

— AS AT 31 DECEMBER 2022 —

HAULAGE RANKING

NO. **1**
*Haulier
in Malaysia
on TEUs*

CONTAINER DEPOT

28,500
TEUs capacity

FACILITIES & LAND BANK

10,900,000
square feet

BRANCH OFFICES

22

LAND TRANSPORTATION

637
*prime
movers*

1,119
*Box/
Curtain Siders/
Tankers*

WORKFORCE

3,562
employees

CONTAINER HAULAGE

936
prime movers

5,362
Trailers

SWIFT GROUP AT A GLANCE

— AS AT 31 DECEMBER 2022 —



CORPORATE *Milestones*

— AS AT 31 DECEMBER 2022 —

2011

Established with the provision of container haulage and land transportation services.

Ventured into consolidation business in East Malaysia by acquiring 65% equity interest in Macro Logistics (M) Sdn. Bhd. in 2011 and the remaining 35% equity interest in 2012. In 2015, the company changed its name to Swift Consolidators Sdn. Bhd.

2012

Obtained its first freight forwarding licence by acquiring the entire equity interest in Delta Express (M) Sdn. Bhd.

Acquired eight (8) acres of land in Pelabuhan Klang, Selangor, for container haulage operations.

Ventured into warehousing services and built 100,000 square feet of warehouse space.

2013

Strengthened its haulage business services and enhanced its fleet size in the Northern and Southern regions.

Acquired the entire equity interest in DKSH Transport Agencies (M) Sdn. Bhd. and changed its name to Swift Logistics TA Sdn. Bhd.

Ventured into sales, services and spare parts business and developed a one-stop workshop by acquiring the entire equity interest in Q-Team Sdn. Bhd. and its subsidiaries, Q-Team Risk Management Sdn. Bhd. and Fleet Engineering Services Sdn. Bhd.

2014

Acquired three (3) acres of land in Bandar Sultan Suleiman in Pelabuhan Klang, Selangor, to expand the container haulage area.

Acquired 58 acres of land at Pulau Indah in Pelabuhan Klang, Selangor, for future expansion.

2015

Ventured into container depot services business in Northport and Westport in Pelabuhan Klang by acquiring 51.5% equity interest in Container Connections (M) Sdn. Bhd in 2015 and an additional 10% equity interest in 2020, bringing the total equity interest to 61.5%.

Ranked as the No. 1 haulier in Pelabuhan Klang and the largest market share nationwide.

2016

Completed the acquisition of the entire equity interest in MISC Integrated Logistics Sdn. Bhd. and changed its name to Swift Integrated Logistics Sdn. Bhd.

Ventured into specialised transportation and project logistics services.

Obtained multimodal transport operator licence issued by the Ministry of Finance and Petronas licence with Standardised Work and Equipment Category codes.

Expanded warehousing capacity in Seberang Prai, Pulau Pinang, Pelabuhan Klang, Selangor and Tebrau, Johor.

Scaled up haulage services in the Eastern region by increasing fleet size.



Swift Group is a certified Multimodal Transport Operator and PETRONAS License holder with the Authorised Economic Operator status.

CORPORATE MILESTONES

AS AT 31 DECEMBER 2022



2017

Expanded its business in Thailand with land transportation and freight forwarding services by acquiring 49% equity interest in Crossland Logistics (Thailand) Co., Ltd. and its wholly-owned subsidiary, Crossland Forwarders Co., Ltd. Crossland Logistics (Thailand) Co., Ltd. subsequently changed its name to Swift Crossland Logistics Co., Ltd. and started providing cross-border transportation services to Laos, Cambodia, Vietnam, Myanmar and the southern border of China.

Expanded its warehousing capacity in Kota Kinabalu, Sabah.

2018

Expanded container haulage services in the Northern region and land transportation services throughout Peninsular Malaysia by acquiring the entire equity interest in Tanjong Express (M) Sdn. Bhd., Tanjong Express Logistic (M) Sdn. Bhd. and Komunajaya Sdn. Bhd.

Became a market leader for its container haulage services in the Northern region.

2019

Expanded container haulage services in the Central and Southern regions by acquiring the entire equity interest in Agenda Wira Sdn. Bhd.

Became a market leader for its container haulage services in the Southern region.

2020

Launched an e-commerce fulfilment warehouse centre.

Started the small truck transportation services.

Strengthened its container haulage business in the Central and Northern regions and expanded its container depot services by acquiring the entire equity interest in Sentiasa Hebat Sdn. Bhd., Sentiasa Hebat (Penang) Sdn. Bhd., Northern Gateway Depot Sdn. Bhd., Agensi Tanjung Bruas Sdn. Bhd., Earth Move International Sdn. Bhd. and Top Tyres & Workshop Sdn. Bhd.

2021

Acquired 50% equity interest in Hypercold Logistics Sdn. Bhd. and started providing cold-chain logistics services in East Malaysia.

Acquired the entire equity interest in Ann Joo Properties Sdn. Bhd. and changed its name to Swift Logistics Yard Sdn. Bhd.

Listed on the Main Market of Bursa Malaysia Securities Berhad.

2022

Expanded warehousing capacity in Seberang Prai, Pulau Pinang, Zon Perdagangan Bebas Pelabuhan Klang, Selangor and Tebrau, Johor.

Swift Haulage Berhad and subsidiaries; Swift Logistics TA Sdn. Bhd. and Swift Integrated Logistics Sdn. Bhd. are awarded with Authorised Economic Operator Certification by the Royal Malaysian Customs Department.

Expanded its business in Singapore by acquiring the entire equity interest in Watt Wah Petroleum Haulage Pte. Ltd.

CORPORATE *Profile*



About Us

Swift Haulage Berhad ("Swift" or "the Company") and its subsidiaries ("Swift Group" or "the Group") are one of Malaysia's fastest-growing, fully integrated logistics providers and is consistently ranked as the top haulier in all major ports in Peninsular Malaysia in terms of twenty-foot equivalent unit ("TEU") volume.

Swift Group offers logistics solutions ranging from container haulage, land transportation, warehousing and container depot, and freight forwarding services. Our other services include sales, service, spare parts and dealerships for commercial vehicles, general insurance agency services and e-commerce retailing.

We are certified Multimodal Transport and Authorised Economic Operators and a Petronas licence holder.

Swift Group's fleet operations in Malaysia, Thailand and Singapore consist of 1,573 prime movers, 6,373 cargo trailers, 72 trucks and 108 tankers.

Our warehousing services provide collective storage facilities with a total capacity of 1.3 million square feet (owned and leased) and container depots with a collective capacity of 28,500 TEU.



CORPORATE PROFILE



1,573

PRIME MOVERS

6,373

TRAILERS

Strategies

The Group continues to focus on servicing our customer base with innovative logistics solutions and implementing our expansion strategies.

Our strategies include seeking acquisition opportunities, enhancing shareholders' value, and further solidifying our position as one of Malaysia's leading integrated logistics services providers.

Objectives

To grow the top and bottom lines and capture market share for our integrated logistics services in a fragmented market.

VISION

To be the preferred logistics partner providing efficient services to our customers.

MISSION

- **S**trengthen our resources
- **W**ithstand market changes
- **I**nnovative in meeting customers' logistics needs
- **F**ast-track growth with a combined effort
- **T**eamwork

CORE VALUES

- Safety
- Initiative
- Teamwork
- Integrity
- Discipline
- Commitment
- Quality

CORE *Services*



Container Haulage Services

Our container haulage services involve transporting mainly laden containers to and from seaports and other locations within Peninsular Malaysia. Our inbound container movement delivers laden containers from a port to the customer's destination. In contrast, outbound container movement delivers loaded containers from a customer's location to the designated seaport.

Land Transportation Services

Our land transportation services involve cargo movement by road, including inland transportation and distribution, and specialised transportation in Peninsular Malaysia. In contrast, our cross-border transportation covers the international land borders for destinations in Malaysia, Singapore, Thailand, Cambodia, Laos, Myanmar, Vietnam, and the southern edge of China.

CORE SERVICES



Warehousing and Container Depot Services

Our warehousing services comprise operating and leasing warehouses for storing goods, operating and managing customers' warehouses, and e-fulfilment services. Our container depot services involve operating container depots to store unladen containers temporarily.

Freight Forwarding Services

Our freight forwarding services mainly involve organising end-to-end cargo transportation from one country to another or between Peninsular and East Malaysia, including customs clearance. Our critical operations include sea, air and land freight forwarding, project logistics, in-plant logistics and ship husbandry.

Other Services

Our other services complement and support our core integrated logistics services: sales, service, spare parts dealerships for commercial vehicles, general insurance agency services and e-commerce retailing.

AWARDS & *Recognitions*

2014



**Port Industry Awards 2014
Best Forwarding Agent in
Johor Ports**

Awarded to: Swift Logistics TA
Sdn. Bhd.

By: Johor Port Authority

2015



**Port Industry Awards 2015
Best Forwarding Agent in
Johor Ports**

Awarded to: Swift Logistics TA
Sdn. Bhd.

By: Johor Port Authority

2016



**Port Industry Awards 2016
Best Forwarding Agent in
Johor Ports**

Awarded to: Swift Logistics TA
Sdn. Bhd.

By: Johor Port Authority

2017



**Port Industry Awards 2017
Best Forwarding Agent in
Johor Ports**

Awarded to: Swift Logistics TA
Sdn. Bhd.

By: Johor Port Authority

2017



**Port Industry Awards 2017
Best Haulier Agent in Johor Ports**

Awarded to: Swift Haulage Berhad

By: Johor Port Authority

2018



**Participated in the Largest Simultaneous Safety
Briefing, "Mega Occupational, Safety and Health
Toolbox 2018"**

Awarded to: Swift Integrated Logistics Sdn. Bhd.

By: Malaysia Book of Records

2018



Safe Road Award 2018 Silver Award

Awarded to: Swift Integrated Logistics
Sdn. Bhd.

By: Chemical Industries Council of
Malaysia

2019



**Recognition for Contributions towards
Working Safely at PCESB/PCPSB in 2019**

Awarded to: Swift Logistics TA Sdn. Bhd.

By: Petronas Chemicals Ethylene Sdn.
Bhd. and Petronas Chemicals
Polyethylene Sdn. Bhd.

2019



**Appreciation and Recognition for Managing
Product Warehouse with Zero Variance, Zero
Health, Safety and Environment Non-Compliance
and Timely Product Delivery in 2019**

Awarded to: Swift Integrated Logistics Sdn. Bhd.

By: Petronas Chemicals LDPE Sdn. Bhd.

2019



**CEO Safety Award 2018 in Recognition
of Injury-Free Operations**

Awarded to: Swift Integrated Logistics
Sdn. Bhd.

By: HESS Exploration and Production
Malaysia B.V.

AWARDS & RECOGNITIONS

2019



Grand Prize Winner Mercedes-Benz Truck Driver's League 2019
Awarded to: Swift Haulage Berhad
By: Hap Seng Trucks Distribution Sdn. Bhd.

2020



Focused Recognition Award for Completing Deliveries for 10,336 Orders with Zero Accidents in 2019
Awarded to: Swift Integrated Logistics Sdn. Bhd.
By: Petronas Chemicals Marketing (Labuan) Ltd.

2020



Appreciation and Recognition for Managing Product Warehouse with Zero Variance, Zero Health, Safety and Environment Non-Compliance and Timely Product Delivery in 2020
Awarded to: Swift Integrated Logistics Sdn. Bhd.
By: Petronas Chemicals LDPE Sdn. Bhd.

2020



3rd Place in Occupational Safety and Health Innovation Category
Awarded to: Swift Integrated Logistics Sdn. Bhd.
By: Jabatan Keselamatan Kesihatan dan Pekerjaan Perak

2022



Focused Recognition Award for Injecting 64 RTOG-Compliance New Fleet in Supporting Reliability of PCML Inland Delivery Requirement in 2021
Awarded to: Swift Integrated Logistics Sdn. Bhd.
By: Petronas Chemicals Marketing (Labuan) Ltd.

2022



Certificate of Excellence 2021 Handling of Custom Clearance Services and Inland Transportation for the East Coast Rail Link (ECRL) Project
Awarded to: Swift Integrated Logistics Sdn. Bhd.
By: China Communications Construction (ECRL) Sdn. Bhd.

2022



Port Industrial Award 2022 Best Forwarder in 2021 in Johor Ports
Awarded to: Swift Logistics TA Sdn. Bhd.
By: Johor Port Authority

2022



Port Industrial Award 2022 Best Haulage in 2021 in Johor Ports
Awarded to: Swift Haulage Berhad
By: Johor Port Authority

2022



Focused Recognition Award for Injecting 28 RTOG-Compliance New Fleet in Supporting Reliability of PCML Inland Delivery Requirement and 20 New Fleet in Supporting Polymer Delivery Requirement in 2022
Awarded to: Swift Integrated Logistics Sdn. Bhd.
By: Petronas Chemicals Marketing (Labuan) Ltd.

CORPORATE *Information*



BOARD OF DIRECTORS

- ➔ **Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor**
Independent Non-Executive Chairman
- ➔ **Loo Yong Hui**
Non-Independent Executive Director /
Group Chief Executive Officer
- ➔ **Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar**
Non-Independent Non-Executive
Director
- ➔ **Loo Hooi Keat**
Non-Independent Non-Executive
Director / Advisor
- ➔ **Datuk Noripah Binti Kamso**
Independent Non-Executive Director
- ➔ **Dato' Gopikrishnan A/L N.S. Menon**
Independent Non-Executive Director
- ➔ **Rozainah Binti Awang**
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson

Rozainah Binti Awang

Members

Datuk Noripah Binti Kamso
Dato' Gopikrishnan A/L N.S. Menon

NOMINATION AND REMUNERATION COMMITTEE

Chairperson

Datuk Noripah Binti Kamso

Members

Dato' Gopikrishnan A/L N.S. Menon
Loo Hooi Keat

HEAD OFFICE

Suite 8.02, Level 8
Intan Millennium Square 2 (IMS 2)
No. 88, Jalan Batai Laut 4
Taman Intan
41300 Klang
Selangor Darul Ehsan
Tel : +603-3361 3555
Fax : +603-3361 3511

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-2084 9000
Fax : +603-2094 9940

COMPANY SECRETARIES

Chua Siew Chuan
(MAICSA 0777689)
(SSM PC No.: 201908002648)

Lim Lih Chau
(LS0010105)
(SSM PC No.: 201908001454)

AUDITORS

BDO PLT

201906000013 (LLP0018825-LCA) &
AF 0206
Level 8, BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-2616 2888
Fax : +603-2616 3190/3191

PRINCIPAL BANKERS

AmBank Islamic Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE

Listed on the Main Market of
Bursa Malaysia Securities Berhad on
21 December 2021

Stock Name : SWIFT
Stock Code : 5303
Sector : Transportation & Logistics
Sub Sector : Transportation & Logistics
Services

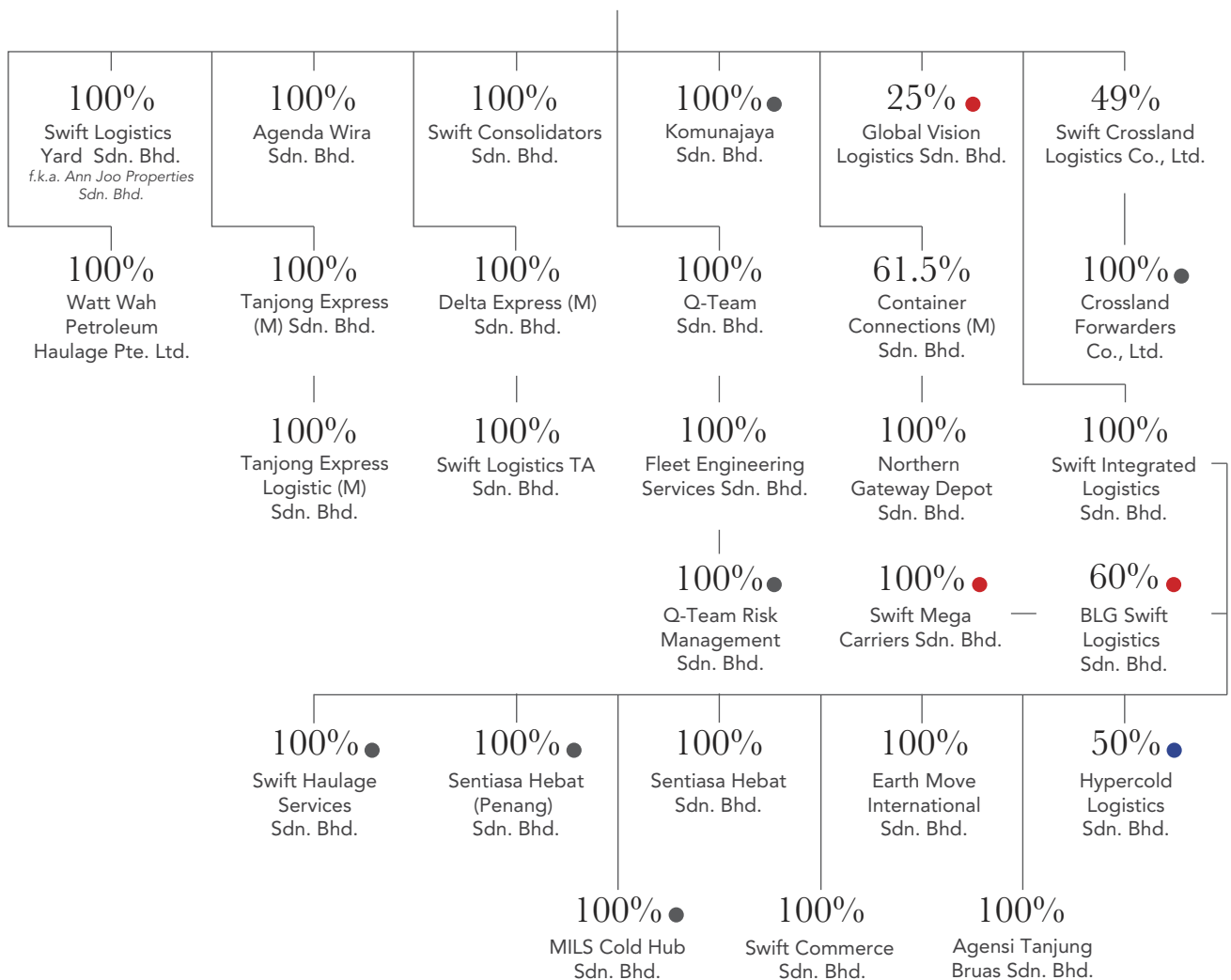
SHARE REGISTRAR

**Tricor Investor & Issuing House Services
Sdn Bhd**

Registration No.: 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Tel: +603-2783 9299
Fax: +603-2783 9222

CORPORATE Structure

AS AT 31 DECEMBER 2022



● Associated Company

● Dormant

● Joint Venture

CHAIRMAN'S & GCEO'S *Joint Statement*

Dear Shareholders,

On behalf of the Board of Directors (“**Board**”), we are pleased to present Swift Haulage Berhad’s (“**Swift**” or “**Swift Group**”) Annual Report and Audited Financial Statements for the Financial Year Ended 31 December 2022 (“**FYE 2022**”).



from left to right:

Loo Yong Hui
Non-Independent
Executive
Director / Group Chief
Executive Officer

**Tan Sri Dato Sri Abi Musa
Asa'ari Bin Mohamed Nor**
Independent
Non-Executive Chairman

CHAIRMAN'S & GCEO'S JOINT STATEMENT



BUSINESS OPERATION HIGHLIGHT

FYE 2022 was a year of transition for the nation. After more than two years of headwinds brought on by the Covid-19 pandemic, the domestic economy is finally on the path to recovery, having recorded a strong growth of 8.7% during FYE 2022. Nevertheless, the protracted pandemic and ongoing geopolitical conflicts in other parts of the world have not only inflicted a dent on the local economy but also came with deep-rooted changes to our supply chain, along with high levels of inflation.

From the easing of global Covid-19 restrictions, we saw an increase in demand for warehouse storage as businesses began increasing their inventory levels. With the completion of our 3 warehouses located at Tebrau, Johor, Seberang Perai, Pulau Pinang and Port Klang Free Zone, Selangor, in FYE 2022, our warehouses capacity has increased by 487,000 sq. ft., we are then able to better fulfil the demand of our customers for warehousing segment. Moving forward, in view of the positive outlook on the warehousing segment, we plan to further expand our warehouses capacity in FYE 2023 by constructing two (2) more warehouses on our existing land in Mak Mandin, Pulau Pinang and Pulau Indah, Selangor, to increase our total warehouse footprint by 30.7%.

In addition, we also intend to strengthen our presence as an integrated logistic service provider via a merger and acquisition exercise. In FYE 2022, we acquired Singapore-based Watt Wah Petroleum Haulage Pte. Ltd. ("Watt Wah"), which is principally involved in transporting petroleum products. The acquisition allowed us to provide logistic services to the Singaporean market, including freight forwarding, land transportation and container haulage. We will also be able to leverage Watt Wah's brand to provide petroleum transportation services to customers around the South East Asia region.

Last but not least, we are excited to seek out new opportunities in 2023 and look forward to sharing our progress as we realise our aspirations for a brighter future in the years to come.

CHAIRMAN'S & GCEO'S JOINT STATEMENT

FINANCIAL PERFORMANCE

In FYE 2022, we continued to create value for our shareholders with a solid financial performance. We are pleased to announce that our total revenue increased by 9.4%, to RM643.77 million, on the back of the performance of our container haulage as well as warehousing and container depot segments. In line with the increase in our revenue, we also recorded a 2.2% increase in profit after tax of RM49.22 million.

Our cash flows remain resilient, with an improvement in net cash generated from operating activities of RM163.87 million in FYE 2022, up 593.1% from RM23.64 million recorded in FYE 2021. This demonstrates our ability to use our resources efficiently in managing our working capital. Notably, we maintained a sturdy balance sheet, with shareholders' equity increased by RM20.36 million, from RM634.86 million to RM655.22 million as at 31 December 2022.

For further insights into our financial and operational performance, please refer to our Management Discussion and Analysis section of this Annual Report.

SUSTAINABILITY

While we are proud of our achievements over the years and the significant strides that were taken in 2022, we are conscious that Economic, Environmental, Social, and Governance ("EESG") is a journey of continuous improvement. To augment our Group's long-term business sustainability, we plan to bring in the first electric prime mover into Malaysia in order to reduce the carbon footprint and, at the same time, promote electromobility and sustainability.

In addition, we have installed several solar photovoltaic ("PV") systems in our warehouses and are currently looking into investing in technology to digitise some of our operational processes. One of the items currently under consideration is a driver behavioural mobile application to reduce paper consumption. We believe being at the forefront of technology and sustainability will help us become the preferred logistics partner.

We will continue to enhance our sustainability management practices in response to the growing public expectations.

Further details as to how we are progressively embedding a stronger EESG focus within our business activities are provided in the Sustainability Statement of this Annual Report.

COMMITMENT TO GOOD CORPORATE GOVERNANCE

We maintain our commitments and operate to the highest standards of governance to ensure our shareholders' rights are protected and that we practice transparent disclosure. This year, we adopted the Directors' Fit and Proper Policy and Human Rights and Labor Practices Policy to ensure (1) all Board members have the necessary qualities, competencies, and experience to perform their duties and carry out their responsibilities in the most effective manner; and (2) to ensure



that all employees, contractors, subcontractors and third parties are equitably protected and treated in terms of fundamental rights.

For further insight into our measures in upholding corporate governance, please refer to the Corporate Governance Overview Statement of this Annual Report and the Corporate Governance Report.

INTO A HIGHLY ANTICIPATED FUTURE

Based on the Updates on Economic & Fiscal Outlook and Revenue Estimates for 2023, the global economy is expected to soften in 2023 on the back of the anticipated challenges from prolonged supply chain disruptions, monetary policy tightening by major central banks and geopolitical tensions.

Overall, we are cautiously optimistic that with our strong asset size and regional connections, we are poised to meet the requirements of any customer looking for land transportation solutions in the South East Asia region. To enhance shareholders' value, we will continue maintaining our strategies to focus on warehousing and container haulage segments, servicing our customers with innovative logistics solutions and expanding our logistics capacity.

CHAIRMAN'S & GCEO'S JOINT STATEMENT



REWARDING OUR SHAREHOLDERS

It is our aim to distribute a dividend of up to 30% of our profit after tax to shareholders who have placed their unwavering confidence and support in our Group in the past. As such, for FYE 2022, we have approved and declared the following dividends: -

- i) a first interim single tier dividend of 1.0 sen per ordinary share amounting to RM8.85 million, in respect of the financial year ended 31 December 2022, was paid on 21 October 2022; and
- ii) a second interim single-tier dividend of 1.0 sen per ordinary share amounting to RM8.81 million, in respect of the financial year ended 31 December 2022, which was paid on 6 April 2023.

Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor
Independent Non-Executive Chairman

13 April 2023

APPRECIATION

As we look to the future, we would like to take this opportunity to express our Board and Key Senior Management's appreciation for all our employees, who have been the bedrock of our achievements. They have demonstrated remarkable dedication to their work. Their professionalism, diligence and hard work during the financial year were instrumental in our Group's growth and success. In the same vein, on behalf of the Board, we wish to extend our gratitude to all our shareholders and other stakeholders for your continuous support and faith in Swift Group.

Thank you, and kind regards,

Loo Yong Hui
*Non-Independent Executive Director /
Group Chief Executive Officer*

MANAGEMENT *Discussion & Analysis*

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Swift Haulage Berhad ("Swift" or "the Company") was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 21 December 2021. The Group is one of Malaysia's fastest-growing fully integrated logistics provider, consistently ranked as one of the top hauliers in all major ports in Peninsular Malaysia in terms of twenty-foot equivalent unit (TEU) volume.

The Group is a certified Multimodal Transport Operator (MTO) and PETRONAS license holder with the Authorised Economic Operator (AEO) status, which provides the following integrated logistics solutions:-



Container Haulage Services

Transporting laden containers to and from seaports and other locations within Peninsular Malaysia. Our container haulage services comprise inbound and outbound container movements.



Land Transportation Services

Shipment of cargo by road, comprising of inland distribution and cross border transportation services.



Warehousing and Container Depot Services

Warehouse service comprise of operating owned and leased warehouse for storage of goods, managing customer's warehouses and e-fulfilment services. Container depot service includes storing, cleaning and repairing containers.



Freight Forwarding Services

Facilitate the end-to-end shipment of cargo via sea, air and land on behalf of our customers from one country to another or between Peninsular and East Malaysia.



Other Services

Support services to our integrated logistics business includes:

- Sales, spare parts & services dealership for commercial vehicles
 - General insurance agency services
 - E-commerce retailing
-

We have a total of 22 sales offices located in Malaysia, Thailand and Singapore. Our integrated logistics operations and headquarters are located in Malaysia, while our operations in Thailand are focused on cross-border transportation and freight forwarding. During FYE 2022, we expanded our presence in Singapore through the acquisition of Watt Wah Petroleum Haulage Pte. Ltd., a company which is principally involved in the transportation of petroleum products.

As of 31 December 2022, our integrated logistics operations are supported by our fleet operations in Malaysia, Thailand and Singapore, consisting of 1,573 prime movers, 5,362 container trailers and 1,119 box or curtain-sider trailers. The construction of three warehouses located in Tebrau, Johor, Seberang Perai, Pulau Pinang and Port Klang Free Zone in Selangor was also completed during the financial year, expanding our total warehousing storage capacity by 487,000 sq. ft.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Financial Performance Review

	FYE 2022 RM'000	FYE 2021 RM'000	Variances RM'000	%
FINANCIAL RESULTS				
Financial Indicators				
Revenue	643,768	588,332	55,436	9.4
Gross Profit ("GP")	197,438	187,320	10,118	5.4
Earning Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	150,115	141,333	8,782	6.2
Profit Before Tax ("PBT")	62,277	57,081	5,196	9.1
Profit After Tax ("PAT")	49,218	48,171	1,047	2.2
Financial Ratios				
GP Margin (%)	30.7	31.8		
EBITDA Margin (%)	23.3	24.0		
PBT Margin (%)	9.7	9.7		
PAT Margin (%)	7.6	8.2		
Interest coverage ratio (times)	3.3	3.1		

The year 2022 is when most countries worldwide transitioned to Covid-19 endemicity. However, the global economic outlook continues to be clouded by the Covid-19 flare-ups as well as international developments such as geopolitical conflicts, global inflationary pressures and tightening monetary policies, leading to a weaker economic prospect. According to the International Monetary Fund, global inflation is projected to rise from 4.7% in 2021 to 8.8% in 2022, which in turn would slow down the global growth from 6.0% in 2021 to 3.2% in 2022. Needless to say, given the unpromising existing conditions, the global macroeconomic environment will remain to be challenging in the upcoming year.

Despite the external headwinds, the Malaysian economy was less dire. As all economic sectors fully reopen, Malaysia enjoys a strong resurgence in domestic demand. In accordance with the Department of Statistics Malaysia, Malaysian economic performance increased from 3.1% in 2021 to 8.7% in 2022.

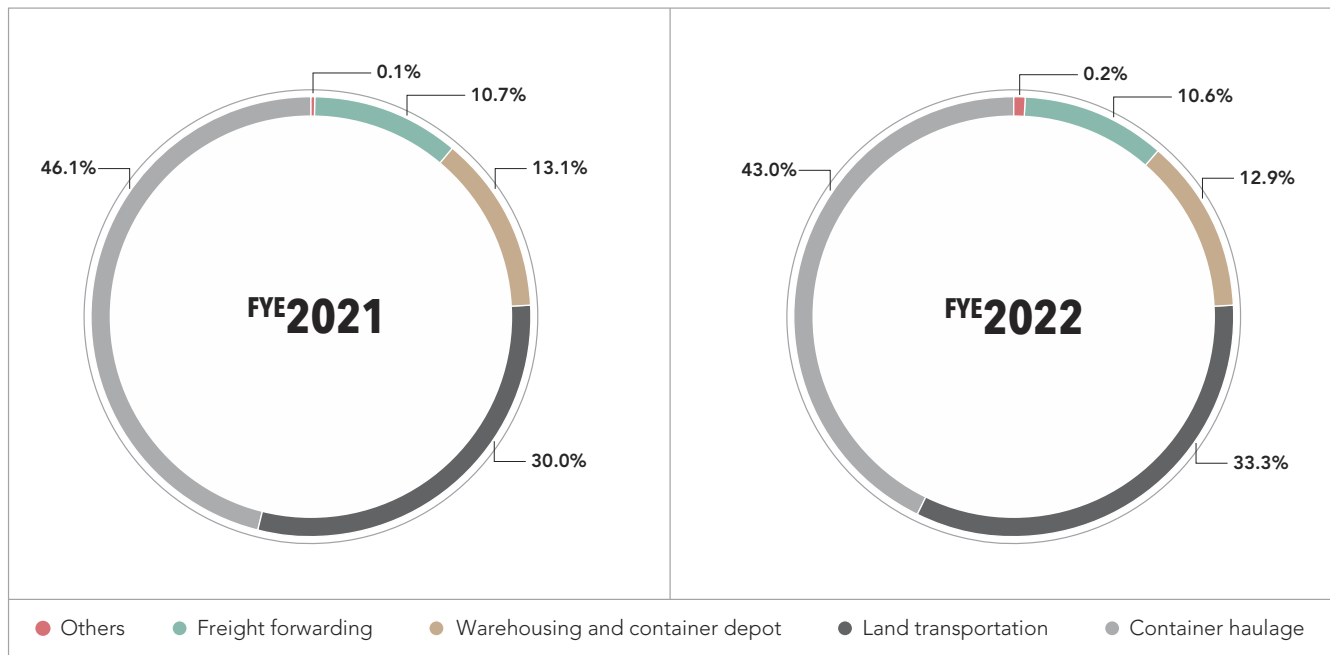
Driven by the recovery of business activities in Malaysia as well as our ability to undertake a higher volume of transactions resulting from the overall expansion of our fleet of prime movers as well as the increase of our warehouse capacity, the Group recorded higher revenue of RM55.44 million or 9.4%, from RM588.33 million in FYE 2021 to RM643.77 million in FYE 2022.

MANAGEMENT DISCUSSION & ANALYSIS

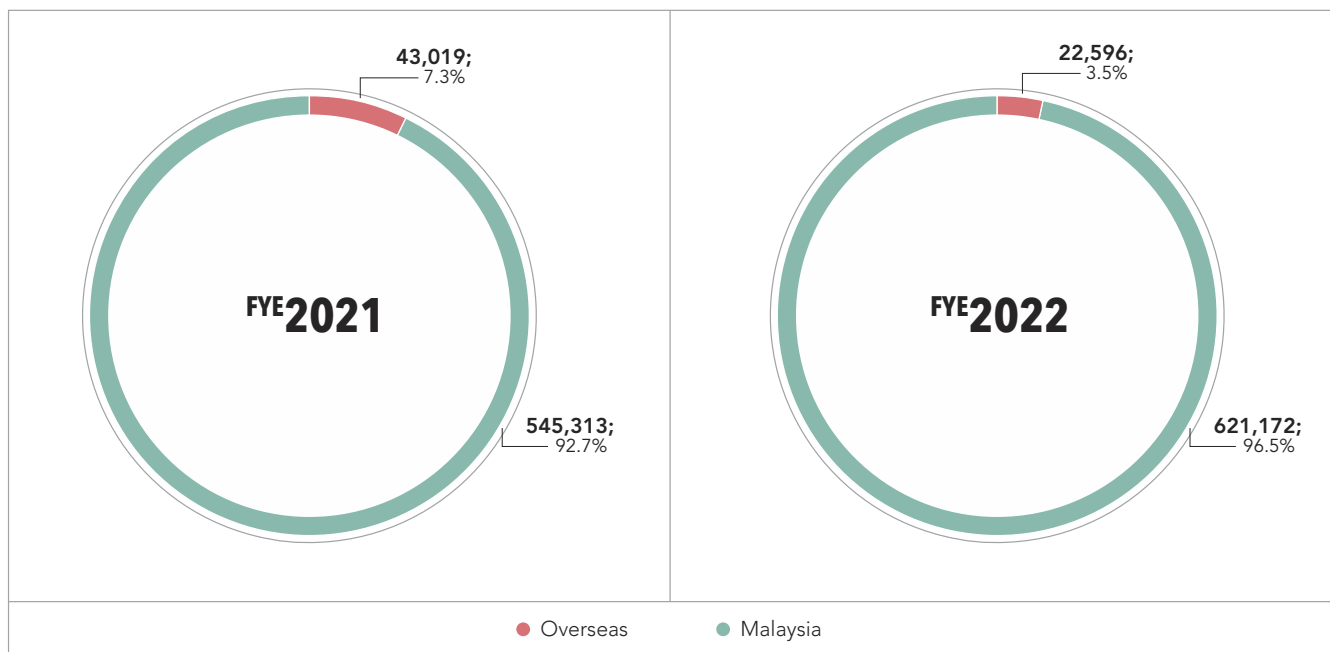
FINANCIAL REVIEW (cont'd)

Financial Performance Review

During FYE 2022, our container haulage segment remains the largest revenue contributor, accounted for RM276.81 million or 43.0% of our Group's total revenue compared to RM271.13 million in FYE 2021. This is followed by revenue from the land transportation segment, which accounted for RM214.23 million or 33.3% of our Group's total revenue as compared to RM176.59 million in FYE 2021. Collectively, both the container haulage and inland transportation segment contributed approximately 76.3% of the Group's total revenue in FYE 2022. Our revenue contribution by business segment is as follows: -



Our Group's revenue is primarily derived from Malaysia, contributing RM621.17 million or 96.5% of our total revenue in FYE 2022 compared to RM545.31 million or 92.7% in the previous financial year. Our revenue contribution by geographical regions is as follows: -

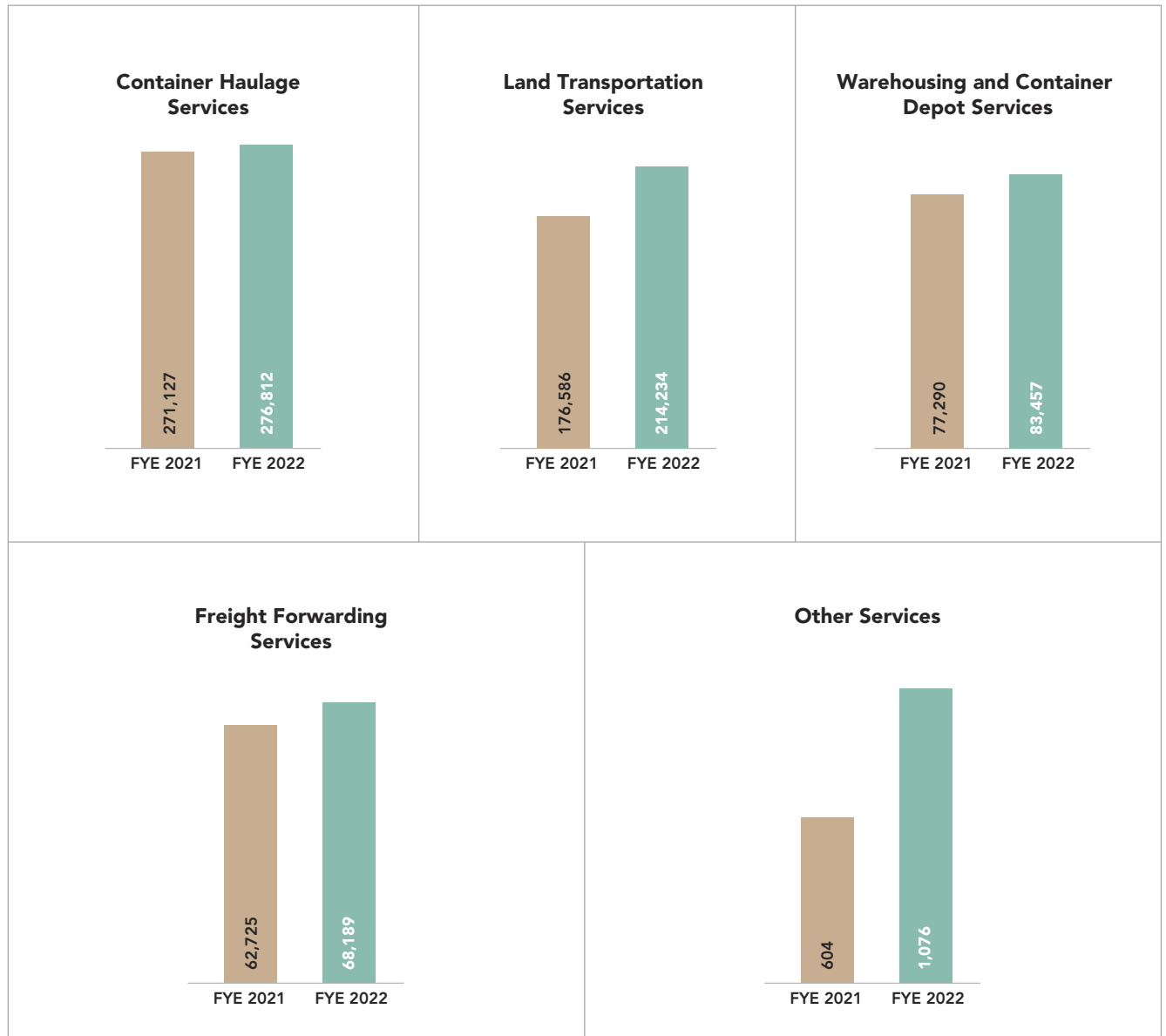


MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW (cont'd)

Financial Performance Review

On the back of higher revenue recorded in FYE 2022, our PBT and PAT have also increased by RM5.20 million or 9.1% and RM1.05 million or 2.2%, respectively, compared to FYE 2021. Our revenue contribution by business segment is as follows:



MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW (Cont'd)

Financial Position and Cashflow Review

	FYE 2022 RM'000	FYE 2021 RM'000	Variances RM'000	%
FINANCIAL POSITIONS				
Financial Indicators				
Total Assets	1,555,901	1,458,493	97,408	6.7
Total Liabilities	899,541	823,220	76,321	9.3
Equity attributable to Equity Holders of the Company	655,220	634,859	20,361	3.2
Financial Ratios				
Current ratio (times)	1.1	1.1		
Gearing ratio (times)	1.1	1.0		
CASHFLOW STATEMENT				
Financial Indicators				
Net Cash Flows from Operating Activities	163,869	23,643		
Net Cash Flows used in Investing Activities	(96,042)	(86,995)		
Net Cash Flows (used in)/from Financing Activities	(94,558)	106,248		
Net changes in cash and cash equivalents ("CCE")	(26,731)	42,896		
Effect of Exchange Rate Changes on CCE	56	54		
CCE at the beginning of the financial year	61,302	18,352		
CCE at the end of the financial year	34,627	61,302		

Our total assets increased by RM97.41 million or 6.7%, from RM1,458.49 million as at 31 December 2021 to RM1,555.90 million as at 31 December 2022, mainly due to the purchase of land, vehicles and mechanical equipment as well as the completion of construction of our warehouses located at Tebrau, Johor, Seberang Perai, Pulau Pinang and Port Klang Free Zone in Selangor.

Our Group's total liabilities increased by RM76.32 million or 9.3% from RM823.22 million as at 31 December 2021 to RM899.54 million as at 31 December 2022, mainly due to the increase in bank borrowings by RM71.80 million. The increase in bank borrowings was mainly due to the higher utilisation of unrated Islamic medium-term notes and term loans to finance the purchase of property, plant and equipment.

Overall, the Group recorded a net decrease in CCE of RM26.73 million as at 31 December 2022 due to the high amount of net cash used in investing activities amounting to RM96.04 million, mainly due to the purchase of property plant and equipment amounting to RM60.62 million as well as placement of short-term fund amounting to RM49.94 million. The Group also recorded net cash used in financing activities amounting to RM94.56 million, mainly attributed to the net repayment of lease liabilities of RM39.88 million, net repayment of trade financing of RM31.82 million, a dividend paid of RM24.87 million and interest paid of RM25.46 million, which is offset against the net drawdown of unrated Islam medium-term notes and term loans of RM26.50 million.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW (Cont'd)

Financial Position and Cashflow Review

The overall net cash used in investing and financing activities is offset against the significant improvement in our net cash from operating activities amounting to RM163.87 million, largely attributable to the improvement in collections from our trade and other receivables in FYE 2022.

Overall, the Group's financial position as at 31 December 2022 remains strong, with cash and cash equivalents of RM34.63 million, a healthy current ratio of 1.1 times and net assets of RM656.36 million. As at the end of the financial year, our earnings per share and net asset per share stood at 5.5 sen and 74 sen, respectively.

CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE

As at 31 December 2022, the Group's share capital amounts to RM384.71 million, comprising of 883,093,602 number of ordinary shares net of treasury shares.

The Group finances its operations with cash generated from operating activities, credit granted by our suppliers, finance leases and bank borrowings from financial institutions as well as our cash and bank balances. Our facilities from financial institutions comprise of term loans, unrated Islamic medium-term notes, trade financing, bank overdrafts, revolving credits as well as finance lease.

The total purchase of Property, Plant and Equipment during FYE2022 by the Group is RM118.98 million, which consists of the following: -

Purchase of Property, Plant and Equipment	RM'000
Buildings	29,256
Freehold land	19,984
Structure and renovation	2,094
Vehicles and mechanical equipment	57,989
Other vehicles	3,287
Furniture, fittings and office equipment	598
Computers and peripherals	880
Containers	1,568
Work-in-progress	3,323
	118,979

As at 31 December 2022, our capital commitments are as follows: -

Capital Expenditure Commitment	RM'000
Property, plant and equipment contracted but not provided for in the financial statements	17,143

MANAGEMENT DISCUSSION & ANALYSIS

RISKS RELATING TO OUR BUSINESS

Market Risk

The logistics industry is inherently reliant on international and domestic trade to function. As part of the global supply chain, we are subject to geopolitical events that affect global economic activities. By serving our customers' needs by providing, among others, container haulage and land transportation services, as well as warehousing, container depot and freight forwarding services, we are indirectly and largely dependent on our customers' business performance and developments in their markets and industries. Any global economic slowdown or trade restrictions may affect the global demand for products and goods. In the event that our customers' sales decline, such a decline will likely lead to a corresponding decrease in demand for our services.

For instance, the war between Russia and Ukraine has caused disruptions to the global supply chain due to tariffs imposed mainly on Russia. The Russia-Ukraine war has also led to high oil as well as high grain prices, which added further inflationary pressure. All these factors are expected to affect demand for products and goods globally which will, in turn, have a negative impact on the local logistics industry and our business operations as well as financial performance.

In mitigating the relevant risk, we have implemented an agile cost structure to improve cost efficiencies and continued to expand our customer bases, believing that diversified customer bases provide us with more business opportunities to grow our business as we stand to benefit from the collective demand for logistics services of different industries.

Health and Safety Risk

Our business operations under the provision of container haulage and land transportation services expose us to the risk of road accidents or traffic interruptions and thus, disrupting our business operations.

As such, we have implemented preventive measures such as monitoring violations in the aspect of speeding, harsh braking and acceleration. In addition, we only recruit drivers who hold relevant licences that are currently valid, have adequate experience clean background, and drivers are required to undergo relevant training before starting to operate the prime movers and trucks.

Throughout the service, drivers are required to attend safety-related training, which includes toolbox (safety reminder session), defensive driving, fatigue management, 6-in-1 training and others.

Regulatory Compliance Risk

Regulatory compliance is critical in ensuring uninterrupted operations as specific legislation requires logistic companies in Malaysia, Thailand and Singapore to maintain various registrations, permits and licences from the regulatory authorities. Non-adherence will result in revocation or non-renewal of these permits and licences, adversely affecting our ability to continue operation or being subjected to a penalty.

In managing regulatory compliance risk, other than obtaining various licences, permits and approvals to carry on business, the Group has also established procedures and mechanisms and engages the regulatory and governmental authorities when necessary to assure full compliance.

MANAGEMENT DISCUSSION & ANALYSIS

The Group will remain vigilant to ride through these waves of unpredictable developments and actively seek all possible avenues and resources to weather any challenges ahead. To this end, the Group will continue to focus on expanding its customer base domestically and regionally.

FUTURE PROSPECT AND OUTLOOK

While the aftermath of the Covid-19 pandemic continued to be felt throughout the year 2022, the transition to the endemic phase heralded a return to normalcy. The pace of the recovery, however, was tempered by various geopolitical developments such as the Covid-19 resurgence in China, the ongoing war between Russia and Ukraine and trade tension between the US and China that caused a significant hike in crude oil prices, supply chain disruptions and thus rising inflationary pressures. These challenges have stymied global and domestic economic recovery. The latest Global Economic Outlook issued by the International Monetary Fund and the World Bank estimates world economic growth to decrease from 3.4% in 2022 to 2.9% in 2023.

Despite external headwinds, the logistics industry continues to play a crucial role in Malaysia's overall trade and economic growth. The Group will remain vigilant to ride through these waves of unpredictable developments and actively seek all possible avenues and resources to weather any challenges ahead. To this end, the Group will continue to focus on expanding its customer base domestically and regionally.

In addition, notwithstanding the dropped in international ocean freight and shipping charges, we are currently more focused on domestic shipping between East and West Malaysia, which has more favourable freight rates and more consistent cargo volume. As the domestic market activities restore normalcy, we are optimistic that the increase in business activities across various sectors will benefit our business. In anticipation of the rise in demand, the Group have increased our warehouse capacity by approximately 46% during FYE 2022, with plans to further expand our warehouse capacity by constructing two more warehouses on our existing land in Mak Mandin, Pulau Pinang (150,000 sq. ft.) and Pulau Indah, Selangor (250,000 sq. ft.) in FYE 2023.

Concurrently, we will continue to maintain our strategy to focus on providing innovative logistics solutions to our customers as well as expanding our logistics capacity through mergers and acquisitions to enhance shareholders' value.

Barring any unforeseen circumstances, we are cautiously optimistic about the Group's outlook in enhancing our shareholders' value in a sustainable and long-term manner whilst making meaningful progress in our ESG agenda to contribute to Malaysia's sustainable progress.

DIVIDEND

It is the intention of the Board to distribute a dividend of up to 30% of the profit attributable to the owners of the Company in the fiscal year on a consolidated basis after taking into consideration our capital requirements, including working and maintenance capital.

Dividend payout is subject to the approval of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board. For FYE 2022, the Board has approved and declared the following dividends: -

- (i) a first interim single tier dividend of 1.0 sen per ordinary share amounting to RM8.85 million, in respect of the financial year ended 31 December 2022, was paid on 21 October 2022; and
- (ii) a second interim single-tier dividend of 1.0 sen per ordinary share amounting to RM8.81 million, in respect of the financial year ended 31 December 2022, which was paid on 6 April 2023.

SUSTAINABILITY

Statement



OVERVIEW



This is the second Sustainability Statement ("Statement") prepared by Swift Group to present our performance in corporate sustainability for FYE 2022.

Having started the journey towards corporate sustainability closer to the year-end of FYE 2021, Swift has started to embed the principle of sustainability throughout our business plan and operations and has initiated to build capability in managing sustainability matters in accordance with Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("MMLR").

OUR COMMITMENT TO BUSINESS SUSTAINABILITY



In FYE 2022, Swift aims to speed up our sustainability journey and focus on strengthening our position as the market leader. As a logistic player, our key commitment towards business sustainability is marked by our bold step in investing in green technology assets to support our nation's as well as the world's sustainability goals as a whole.

This Statement covers sustainability areas that have been addressed during the year whilst striving to meet the expectations of the stakeholders.

SUSTAINABILITY STATEMENT



SCOPE AND REPORTING PERIOD

This Statement presents the sustainability strategies and performance of Swift Group for the financial year from 1 January 2022 to 31 December 2022 unless otherwise specified.

Information in relation to the Economic and Governance sections is covered for the entire Swift Group, while Environment data is only presented for our operations in Malaysia and Thailand. On the other hand, our Social section disclosure covers mainly the business operations in Malaysia.

To enhance our sustainability reporting measures this year, we have included our sustainability data from past reporting cycles, whenever possible, in order to provide meaningful track records for our stakeholders' understanding.

REPORTING FRAMEWORK

This Statement is prepared based on all the available internal information in accordance with Bursa Securities' MMLR pertaining to the preparation of sustainability statements as well as its Sustainability Reporting Guide 3rd Edition.

In addition, we have also benchmarked our sustainability performance against the international standard of the United Nations' Sustainable Development Goals ("UNSDG") to ensure that our sustainability journey is on the right track with global development.

ASSESSMENT OF MATERIAL MATTERS

It is our commitment to keep ourselves abreast with the latest sustainability trend and development. In this respect, we have conducted an annual material matters assessment to revisit and evaluate the latest sustainability matters of the Group. Further information on the said assessment can be referred to in our Material Matters Matrix section.

FEEDBACK

We welcome stakeholders' comments and feedback on our Statement in order to improve our sustainability reporting standard. All feedback, comments and enquiries on this Statement or related to any sustainability matters shall be directed to corporate@swiftlogistics.com.my.

SUSTAINABILITY STATEMENT

SUSTAINABILITY HIGHLIGHTS

Economic, Environment, Social and Governance



Economic



Financial Performance

	FYE 2022 (RM'000)	FYE 2021 (RM'000)	FYE 2020 (RM'000)
Revenue	643,768	588,332	555,837
Net Profit	49,218	48,171	42,411



Customer Satisfaction Survey

	FYE 2022	FYE 2021	FYE 2020
Rating	4.4	4.2	4.3

Notes :

Rating 4 : likely to continue using Swift services

Rating 5 : very likely to continue using Swift services



Environment



Carbon Emission (tCO₂e)

	FYE 2022	FYE 2021	FYE 2020
Emission	134,392*	116,648	104,192

* The data has excluded Scope 3 emission (business travel & employee commuting), where our total emission for all Scope 1, 2 and 3 were recorded at 140,463 tCO₂e



Energy Efficiency

- The Photovoltaic ("PV") solar system at the warehouse in Tebrau, Johor, was operational in June 2022
- For Central Swift Haulage Warehouse, the PV solar system was up and running in Dec 2022
- Tanjong Express Bukit Beruntung and Warehouse in Tebrau both switched all their lights to LED in Nov 2022
- Reduce, Reuse, Recycle ("3R") was widely practised in the Group



Waste (tonne)

	FYE 2022	FYE 2021	FYE 2020
Non-hazardous	659	586	697
Hazardous	128	116	16
Recycle	476	18	14

SUSTAINABILITY STATEMENT



Human Rights and Diversity

- Continue practising human rights, diversity, and inclusion.
- Zero case of discrimination and harassment.
- Zero complaint on human rights.



Community Programmes

5 programs were carried out, involving RM29.2K of the amount spent on the needy group.



Training and Development

	FYE 2022	FYE 2021	FYE 2020
No. of trainings conducted	135	94	84
No. of training days	265	163	168
No. of training hours	1,862	1,141	1,176
Training cost (RM'000)	691	234	151
No. of participants involved	2,438	1,271	596



Occupational Health & Safety

	FYE 2022	FYE 2021	FYE 2020
No. of work-related injuries	27	24	29



Management Trainee ("MT") & Internship Programme

	FYE 2022	FYE 2021	FYE 2020
MT	1	7	
Intern	109	91	41



Flood Aid to Swift Employees

Swift management provided financial aid to 259 employees who were affected by the flood, which amounted to RM104K in Q1 FYE 2022.



Governance

Anti-Bribery & Corruption Policy ("ABC Policy") that was implemented in February 2021 continued to be implemented and enforced in the Group. Relevant briefing was conducted to the employees during induction sessions.

0 complaint on suspected corrupt or unethical behaviour of our employees.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

Swift's governance structure in managing sustainability was established in the year 2021 to drive our sustainability agenda. It is comprised of 3 tiers, navigated by the Board, Sustainability Steering Committee ("SSC") and Sustainability Working Committee ("SWC"). The SSC is led by the Group CEO and consists of six (6) Key Senior Management.

As part of our sustainability management, the SWC is required to drive one (1) sustainability initiative each month at their respective Business Units ("BUs")/region and report the same to the Group Health, Safety, Environment and Quality ("GHSEQ") on a monthly basis. The initiative outcomes are then compiled by the GHSEQ and tabled at the SSC quarterly meeting for further deliberation and discussion.

As the Chairman of SSC, the Group CEO regularly reports to the Board on all issues related to corporate sustainability, including the progress of our sustainability journey. The detailed roles and responsibilities of the Board, SSC and SWC are as follows: -



Board of Directors

- To hold ultimate responsibility over sustainability management
- To oversee the Group's overall sustainability strategies, efforts and performance



Sustainability Steering Committee (SSC)

- To appoint members of SWC
- To oversee progress of integrated sustainability activities across the Group
- To ensure key members are involved in decision making process of the Group's sustainability matters
- To report the progress of sustainability matters to the Board on periodical basis



Sustainability Working Committee (SWC)




- To ensure sustainability matters are effectively communicated to all stakeholders including employees, contractors, vendors, customers and others
- To coordinate and execute sustainability activities that are in line with the strategic direction from the SSC
- To directly monitor sustainability performance of the region/ business units so as to ensure meeting the objectives, goals, targets and values set by the SSC
- To report the progress of sustainability matters to the SSC

SUSTAINABILITY STATEMENT





STAKEHOLDERS' ENGAGEMENT

Swift has identified stakeholders who are impacted by or can influence the Group's operations and business. We adopt an ongoing stakeholders' engagement approach in order to give us a clear picture of their expectations thus actions can be taken to respond to their concerns. These later will be incorporated into the Group's practices and become a norm.

During FYE 2022, our engagement with various stakeholders, together with the corresponding frequency, is highlighted in the following engagement matrix: -

Our stakeholders	Area of Interest/Concerns	How do we address these concerns?	Frequency of engagement
 Employees	• Career development	<ul style="list-style-type: none"> Ongoing career progression programmes for employees Performance management system/ appraisal 	<ul style="list-style-type: none"> Throughout the year Mid & year-end review
	• Work-life balance	• Employee engagement activities and events	• Throughout the year
	• Employment rights & benefits	• Terms and conditions are as per Offer Letter, Employee Handbook and Collective Agreement (Non-Executive)	• Throughout the year
	• Child labour & Forced labour	• Compliance with Human Rights & Labour Practices Policy	• Throughout the year
		• Current practice is in accordance with relevant employment laws	• Throughout the year
	• Knowledge building & talent development	• Training programmes	• Throughout the year
	• Employee health, safety & wellness	• Compliance with health and safety rules and regulations	• Throughout the year
	• Diversity and inclusion	• Diversity & Inclusion are included in Employee Handbook and has been adopted in the Group	• Throughout the year
 Local Authorities/ Regulatory Bodies/ Government Ministries	• Regulatory requirements & compliance	<ul style="list-style-type: none"> Policies and report in place as per regulatory requirements Site inspection/audit by authorities Authority's site visits 	<ul style="list-style-type: none"> As and when required As and when required As and when required
	• Accuracy, transparency, and disclosure	<ul style="list-style-type: none"> Liaise with authorities on grey area/new requirements Internal & external audit, follow SOPs 	<ul style="list-style-type: none"> As and when required Throughout the year
	• Business directions	<ul style="list-style-type: none"> Announcement made to Bursa Securities Annual report General meeting Session with shareholders/investors 	<ul style="list-style-type: none"> As and when required Yearly Yearly As and when required
	• Financial performance	<ul style="list-style-type: none"> Quarterly results Annual report 	<ul style="list-style-type: none"> Quarterly Yearly
 Shareholders/ investors	• Governance & integrity	<ul style="list-style-type: none"> Announcement made to Bursa Securities Annual report General meeting Session with investors/bankers 	<ul style="list-style-type: none"> As and when required Yearly Yearly As and when required

SUSTAINABILITY STATEMENT

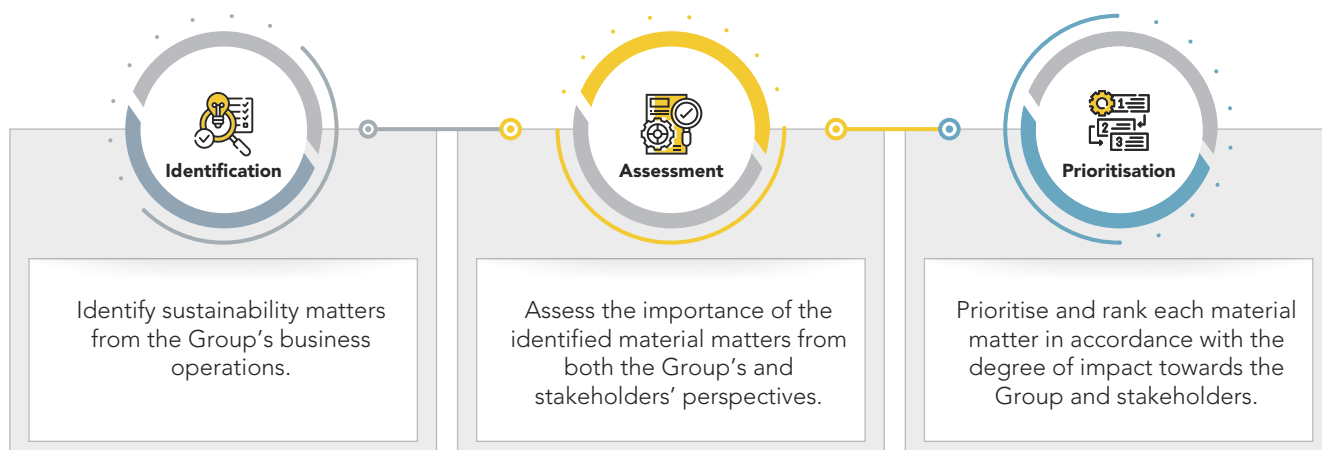
Our stakeholders	Area of Interest/Concerns	How do we address these concerns?	Frequency of engagement
 Customers	• Service quality	• Standards & certifications – audit (internal, external or customer)	• Throughout the year
	• Data privacy	• Non-disclosure agreement (NDA), clause in Service Level Agreement (SLA)	• Throughout the year
	• Knowledge sharing	• Customer service centre	• Throughout the year
	• Reporting	• Key Performance Indicator (“KPI”) report	• Monthly/quarterly
	• Customer Satisfaction	• Customer feedbacks/ complaints/ customer survey	• Throughout the year
	• Human rights	• Compliance to Human Rights Policy/ their sustainability standards	• Throughout the year
	• Safety procedures	• Regular updates on Health, Safety and Environment issues	• Quarterly
 Business Partners /Transporters	• Knowledge sharing	• Meetings	• As and when required/ quarterly
	• Safety procedures	• Service contract (back-to-back on customer's requirements, health, safety and environment (“HSE”) requirements)	• During development of contract
		• Vendor audit	• Yearly
 Vendors	• Business relationships	• Meetings	• Quarterly
	• Fair and transparent procurement practices	• Vendor evaluation	• Yearly
	• Credit terms and on-time payments	• Contract negotiation	• Throughout the year
 Communities & Public	• Business opportunities • Employment opportunity	• Continuous business expansion to create business and employment opportunities	• Throughout the year
	• Education and social assistance • Social responsibility	• CSR programmes	• Throughout the year
		• Campaigns	• Throughout the year
	• Environment impact from operation	• Maintain compliance to regulations/ immediate rectification if there is breach	• Throughout the year

SUSTAINABILITY STATEMENT

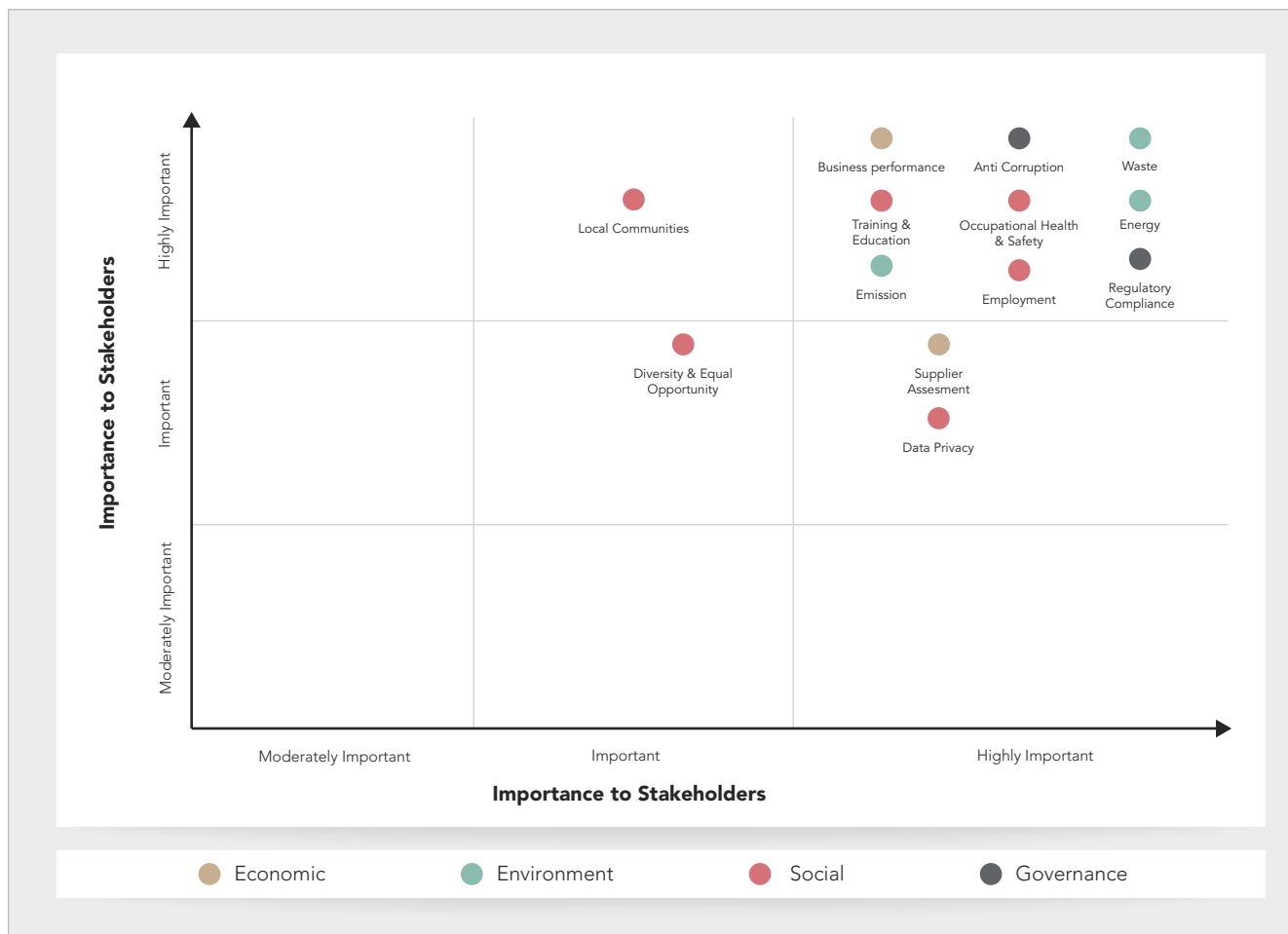
MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS

Materiality assessment is an integral part of our sustainability journey as it enables us to identify and prioritise the material sustainability matters which are important to the Group and various stakeholders. In this regard, Swift benchmarked its material assessment against other logistics companies to ensure that our sustainability process is in line with the industry development.

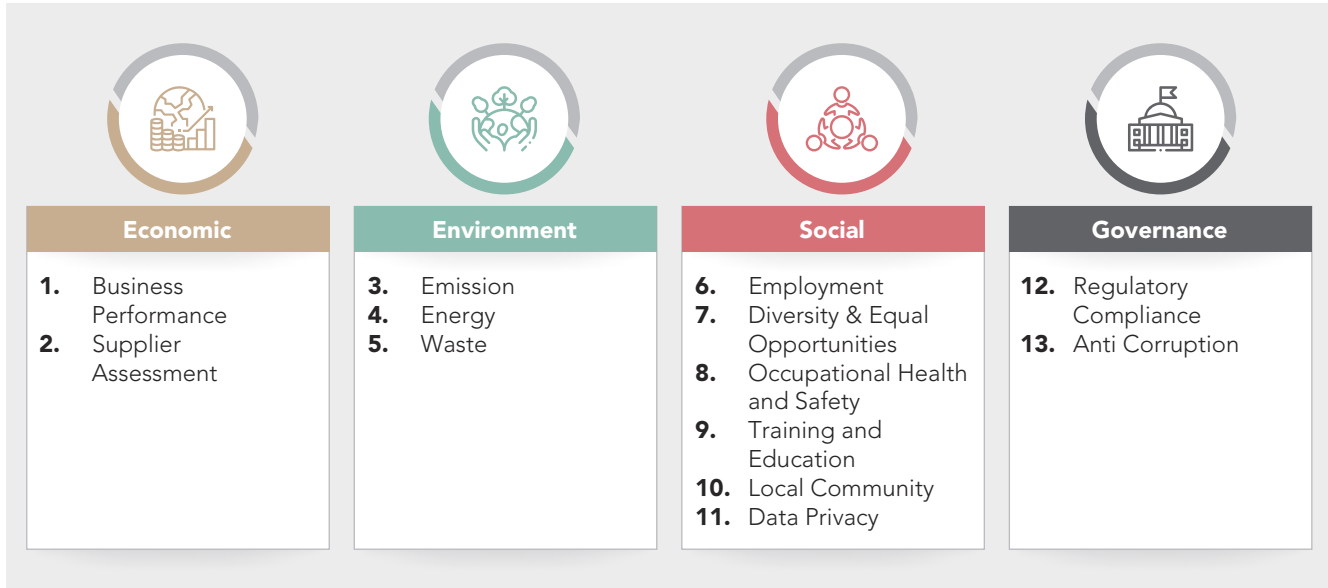
During FYE 2022, we have adopted a similar three-step approach to conduct our materiality assessment: -



This year, we have revisited and re-assessed the material matters identified last year. Based on the assessment, we have identified and ranked thirteen (13) material matters in FYE 2022, scaling from "Important" to "Highly Important" in the following Material Matters Matrix: -

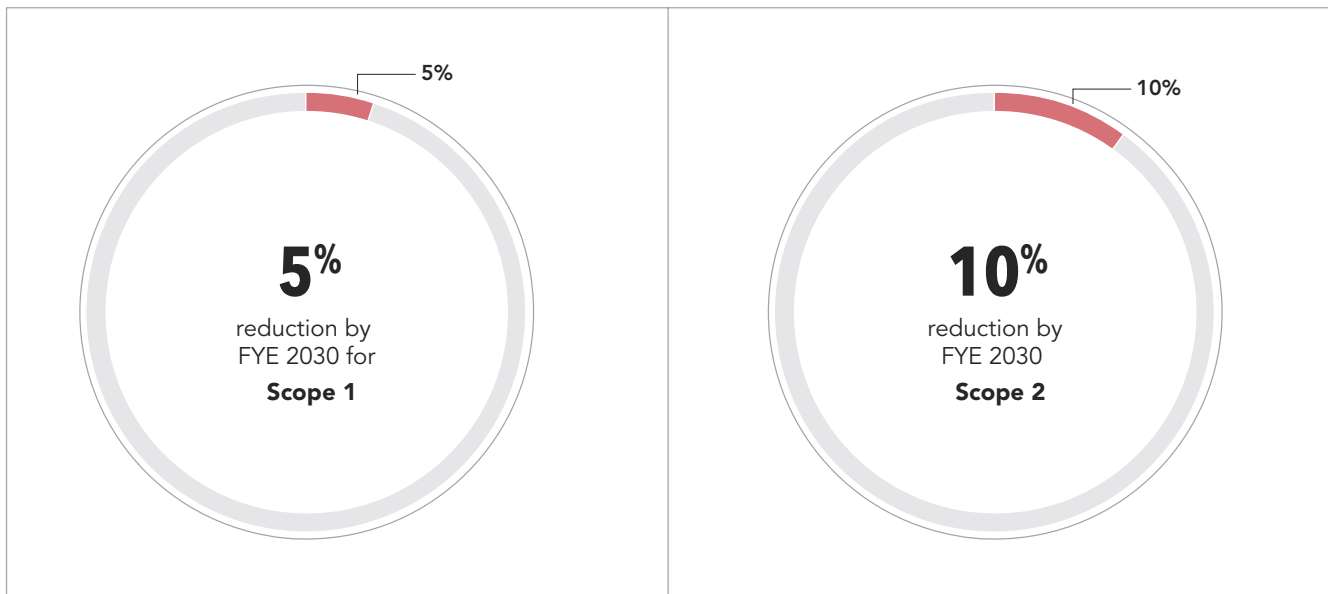


SUSTAINABILITY STATEMENT



SUSTAINABILITY ROADMAP

In ensuring Swift's sustainability journey is on track, the SSC has deliberated on the roadmap, targets, and timeline. Our carbon reduction targets are as follows: -



The roadmap also highlighted core areas to ensure group-wide actions are taken to achieve the targets within the timeline, resulting in a positive impact within the Group as a whole.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STRATEGIES AND UNSDG

By identifying our key sustainability matters, we have developed our corresponding sustainability strategies and have mapped them with twelve (12) relevant UNSDGs as follows: -

UNSDGs	Sustainability Strategies
ECONOMIC	
 <p>TARGET 8-1 SUSTAINABLE ECONOMIC GROWTH</p>	<ol style="list-style-type: none"> 1. To grow the Group's business in a sustainable way 2. To support local purchases whenever viable 3. To maintain customer satisfaction
ENVIRONMENT	
 <p>TARGET 7-2 INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY</p>  <p>TARGET 11-6 REDUCE THE ENVIRONMENTAL IMPACT OF CITIES</p>  <p>TARGET 12-2 SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES</p>  <p>TARGET 12-5 SUBSTANTIALLY REDUCE WASTE GENERATION</p>  <p>TARGET 13-2 INTEGRATE CLIMATE CHANGE MEASURES INTO POLICIES AND PLANNING</p>  <p>TARGET 15-2 END DEFORESTATION AND RESTORE DEGRADED FORESTS</p>	<ol style="list-style-type: none"> 1. To control and reduce carbon emission 2. To achieve energy and resources efficiency 3. To practice waste management
SOCIAL	
 <p>TARGET 3-6 REDUCE ROAD INJURIES AND DEATHS</p>  <p>TARGET 3-8 ACHIEVE UNIVERSAL HEALTH COVERAGE</p>  <p>TARGET 4-4 INCREASE THE NUMBER OF PEOPLE WITH RELEVANT SKILLS FOR FINANCIAL SUCCESS</p>  <p>TARGET 5-5 ENSURE FULL PARTICIPATION IN LEADERSHIP AND DECISION-MAKING</p>  <p>TARGET 8-2 DIVERSIFY, INNOVATE AND UPGRADE FOR ECONOMIC PRODUCTIVITY</p>  <p>TARGET 8-8 PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS</p>  <p>TARGET 10-2 PROMOTE UNIVERSAL SOCIAL, ECONOMIC AND POLITICAL INCLUSION</p>  <p>TARGET 14-1 REDUCE MARINE POLLUTION</p>	<ol style="list-style-type: none"> 1. To embrace human rights, diversity and inclusion 2. To promote and maintain occupational health and safety 3. To leverage on technology to protect employees' health and safety 4. To provide training and development programs 5. To carry out corporate social responsibility programs
GOVERNANCE	
 <p>TARGET 16-5 SUBSTANTIALLY REDUCE CORRUPTION AND BRIBERY</p>	<ol style="list-style-type: none"> 1. To conduct business ethically with integrity 2. To practice bribery and corruption-free in all business dealings 3. To comply with all relevant laws and regulations

KPI ACTION PLANS AND REPORTING SYSTEM

As Swift is in the second year of the sustainability journey, SWC has and will continue to establish the relevant sustainability KPIs with action plans within their purview and report the same to the SSC on a quarterly basis in order to keep track of our sustainability progress in a proper manner.

SUSTAINABILITY STATEMENT



1 ECONOMIC

FINANCIAL PERFORMANCE

	Audited		
	FYE 2022 RM'000	FYE 2021 RM'000	FYE 2020 RM'000
Revenue	643,768	588,332	555,837
Gross Profit	197,438	187,320	185,738
Net Profit	49,218	48,171	42,411

Swift Group's operating activities were mainly derived from four (4) primary business segments: container haulage, land transportation, warehousing and container depot, and freight forwarding service.

In FYE 2022, the Group recorded total revenue of RM643.77 million, an increase of 9.4% compared to RM588.33 million in FYE 2021. The increase was mainly due to better performance from all our business segments driven by the recovery of business activities from the easing of Covid-19 restrictions, our expansion of fleet of prime movers for the land transportation division as well as the increased capacity of our warehouse footprint.

With SDG Target 8.1 in mind, we shall continue to improve our financial and business performance by expanding our customer base domestically and regionally with the future improvement in warehouse capacity while simultaneously improving our cost management diligently. In addition, we shall continue to serve our customers with innovative logistics solutions and expand our logistics capacity via merger and acquisition to further enhance value to our various stakeholders.

As part of the ISO 9001: 2015 requirements, we have in place an annual customer survey to assess the level of customer satisfaction with our services. The survey has covered several areas, which include the Health, Safety, Environment and Quality ("HSEQ") standard, speed in resolving complaints, ease of doing business with the Group, accessibility and ease of contacting relevant Swift personnel. Swift recorded an overall customer satisfaction rating of 4.4 in FYE 2022 (FYE 2021: 4.2, FYE 2020: 4.3) (rating 4 - likely & rating 5 - very likely to continue using Swift services).

To ensure continuous quality service and conformance to the standards, the Group maintains its certifications on several management systems as follows: -

- ISO 9001:2015 Quality Management System ("QMS")
- ISO 14001:2015 Environmental Management System ("EMS")
- ISO 45001:2018 Occupational Health and Safety Management System ("OHSAS")
- ISO 39001:2012 Road Traffic Safety Management System
- ISO 22000:2018 Food Safety Management System ("FSMS")
- Good Distribution Practices for Medical Devices ("GDPMD")
- Transported Asset Protection Association ("TAPA") Trucking Security Management System ("TSR"), Version 2020 Level 2
- Sedex Members Ethical Trade Audit ("SMETA") 4 Pillars
- MS 224:2005 Product Certification for Retread Plant
- Authorised Economic Operator ("AEO") status from Royal Malaysian Customs Department

New certifications received in 2022 are as follows: -

- ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for a new warehouse in Port Klang Free Zone ("PKFZ"), Selangor
- ISO 9001:2015 Quality Management System for Swift Crossland Logistics Co. Ltd.

Another certification that is currently ongoing is ISO 13485 Quality Management System for Medical Devices for our new PKFZ Warehouse.

The new certification in the pipeline is ISO 9001:2015 Quality Management System for Tanjong Express, Pelabuhan Klang.

SUSTAINABILITY STATEMENT

SUPPLIER ASSESSMENT

Good procurement practices give better yield to the Group in terms of value for money, quality, quantity, timeliness, maintenance, and warranty. Good procurement practice refers to procurement that is conducted in a fair and structured manner where bidders/vendors are thoroughly evaluated, and the award of the contract is reasoned and justified. In FYE 2022, we introduced the use of a sustainability checklist as one of the criteria in bidders'/vendors' assessments.

Areas evaluated include management commitment and responsibility, organisation, resources and documentation, risks, hazards and effect management, emergency planning, incident reporting and investigation, environment, labour & human rights, customer social responsibilities ("CSR") and ethics. A weightage has been assigned, and those with a score of above 70% are considered to comply with the sustainability requirements, and those with a score of less than 50% are non-compliant.

On top of the newly introduced sustainability checklist as our vendor assessment criteria, we continue to implement the existing practices in an effort to uphold sustainable procurement within the Group: -

- a) Establish procurement requirements to serve as formal guidance for the procurement team.
- b) Negotiate the best deal and terms for the procurement contract.
- c) Support local purchases where possible.
- d) Perform vendor evaluation yearly for performance assessment. In an attempt to maintain effective procurement management, vendors who did not meet the standard/contract will be removed from the approved vendor list.

Based on the procurement made in FYE 2022, almost 100% of the purchases for office supplies and spare parts for vehicle maintenance were sourced locally. This shall indicate our commitment towards a domestic economy in line with SDG Target 8.1. In addition, we are glad to inform that all vendors have fulfilled our requirements, and none of them was ruled out during FYE 2022.

The Group will continue to adopt good practices in managing the purchase of items, particularly the major ones and will further improve via centralised contract and documentation, multi-sourcing strategy and so on.



SUSTAINABILITY STATEMENT



2 ENVIRONMENT

EMISSION

Guided by SDG Target 13.2, Swift Group maintains close monitoring of carbon emissions from our business activities in line with the Environment Quality (Clean Air) Regulations 1978's requirements under the Department of Environment ("DOE"). In FYE 2022, GHSEQ has teamed up with BU's Health, Safety, Environment and Quality ("HSEQ") personnel, Coordinators and Operations to promote green practices among our employees and drivers.

It is undeniable that transportation contributes the most emission among all the components of logistics services. The three-year data tabulated below showed that total emissions comprising of Scope 1 and 2 combined increased yearly by 15% (2022 vs 2021) and 12% (2021 vs 2020). In terms of Scope 1, the emission increase was mainly attributed to an increase in diesel consumption due to the increased no. of prime movers by 2%.

As for Scope 2, emissions from electricity rose by 18% (2022 vs 2021) and 4% (2021 vs 2020). Despite the operation of the solar system in June 2022 at Tebrau and in December 2022 at Swift Haulage Central warehouse, the increase was mainly due to the testing of new Light Emitting Diode ("LED") lightings at Tebrau Warehouse in November and December 2022 as well as the opening of a new warehouse in Pulau Pinang and PKFZ.

	2022 (tCO ₂ e)	2021 (tCO ₂ e)	2020 (tCO ₂ e)
Scope 1			
Diesel	130,874	113,870	101,087
LPG + Petrol Company Car	374	113	541
Total	131,247	113,983	101,628
Scope 1 Carbon Intensity (tCO₂e/km)	0.00103	-	-
Scope 2			
Electricity	3,145	2,665	2,564
SUB-TOTAL	134,392	116,648	104,192
Scope 2 Carbon Intensity (tCO₂e/kWh)	0.00066	-	-
Scope 3			
Business Travel	647	-	-
Employee Commuting	5,424	-	-
GRAND TOTAL	140,463	116,648	104,192

In FYE 2022, Swift endeavoured to capture the Scope 3 emission, i.e., business travel and employee commuting data, to meet Bursa Securities' requirement as per Enhanced Sustainability Reporting Framework. However, we are not able to compare it with the preceding years due to the unavailability of data.

With SDG Target 11.6 in mind, we continue to execute our carbon reduction initiatives within our daily operations, including continuously reminding drivers during toolbox and internal training to minimise Prime Movers ("PM") idling, instal in-cabin battery operated fan, adopt eco-driving techniques such as no speeding, no harsh braking, no excess weight and etc.

Swift's targets for carbon reduction are as follows: -

- Scope 1: 5% reduction by FYE 2030
- Scope 2: 10% reduction by FYE 2030

SUSTAINABILITY STATEMENT

The Group has adopted the carbon intensity of CO₂e/km as our indicator due to the nature of our business whereby to achieve higher revenue, we have to expand the fleet or travel higher distances, thus, higher diesel consumption. This indicator seems fair, considering our sector is carbon-intensive operations. The target will be achieved via electric trucks and procurement of Euro 5 engine prime movers that will help reduce emissions.

For Scope 2, the indicator is CO₂e/kWh, which is to be realised through solar projects at various sites nationwide. With this, Swift supports the country in its road to transition to renewable energy.

Swift is steadfast in its targets to reduce overall carbon emissions as we advance. In August 2022, Swift signed a memorandum of understanding (“MOU”) with Volvo Malaysia Sdn. Bhd. to introduce electric trucks in Malaysia. This move aligns with the national sustainability goals of Net-zero Carbon Emissions by 2050 by slowly switching from Internal Combustion Engine (“ICE”)-PM to green energy-PM. The benefit is expected to be reaped in the following years.



For the period from August 2022 to October 2022, our employees actively participated in the voluntary tree-planting programmes organised by a non-governmental organisation (“NGO”), namely Global Environment Centre (“GEC”) as below:

- Raja Musa Forest Reserve, Bestari Jaya, Selangor
- Kuala Selangor Nature Park
- Kuala Langat North Forest Reserve

A total of 48 employees joined the abovementioned programmes, and they planted a total of 329 trees for a greener future. This initiative aligns with SDG Target 15.2 to end deforestation and restore degraded forests.



SUSTAINABILITY STATEMENT



2 ENVIRONMENT



ENERGY

On another note, in line with SDG Target 12.2, the latest solar panel installation is at Swift Central warehouse with a capacity of 87kWp, operational in December 2022. Together with the solar panel that has been previously installed in Tebrau with a capacity of 400kWp, it is expected to save electricity in FYE 2023.

Moving forward and to support SDG Target 7.2, solar projects are expected to be installed at Bukit Beruntung, Pulau Pinang and SILS Pelabuhan Klang warehouses. In addition, the use of LED lights will be expanded continuously based on internal requirements.

WASTE

Aside from carbon emission control, Swift takes stringent measures in our waste management. We have taken actions from site audits and inspections to improve where required. Our scheduled wastes are stored at a designated area, in proper containers, with proper labelling and disposed of accordingly through the approved transporter as per the prescribed regulations by the DOE. As part of our proper waste management, scheduled waste is not kept for not more than 180 days or 20 metric tons, whichever is earlier.

In FYE 2022, the Group registered total waste (tonnes) as follows: -

	FYE 2022	FYE 2021	FYE 2020
Non-hazardous	659	586	697
Hazardous	128	116	16
Recycle	476	18	14

	FYE 2022	FYE 2021	FYE 2020
Total waste diverted from disposal	604	134	30
Total waste directed to disposal	659	586	697

Non-hazardous and hazardous waste increased by 12% and 10% in FYE 2022. It is challenging to reduce this waste while simultaneously growing our business. Nevertheless, awareness of waste among employees has improved, i.e., to separate waste for recycling purposes. It was noted that the recycled waste in the Group rose significantly by 2,544% from 18 tonnes in FYE 2021 to 476 tonnes in FYE 2022. Items recycled include metal, damaged tyres, rubber dust, papers and boxes, plastics, used cooking oil, etc.

Moving forward, Swift will continue to look for opportunities to improve our recycling rate and, where possible, start exploring a circular economy.

SUSTAINABILITY STATEMENT

Aside from that, the following green initiatives continued to be implemented within the Group: -

- Promote 3R (reduce, reuse and recycle) as per SDG Target 12.5 for: -
 - o Paper (paper, envelop, boxes)
 - o Plastic (bring your own container) for food & drinks
 - o Recycle old clothing by donating to the NGO and charity house
 - o Recycle used cooking oil from in-house canteen/café & employee contribution
 - o Recovery of lubricant oil and engine oil (scheduled waste)
 - o Having retread plant to retread tyres
 - o Recycle printer cartridge
- Collect e-waste and dispose to an authorised vendor. (We have collected and disposed of a total of 72kg of e-waste in FYE 2022)



SUSTAINABILITY STATEMENT



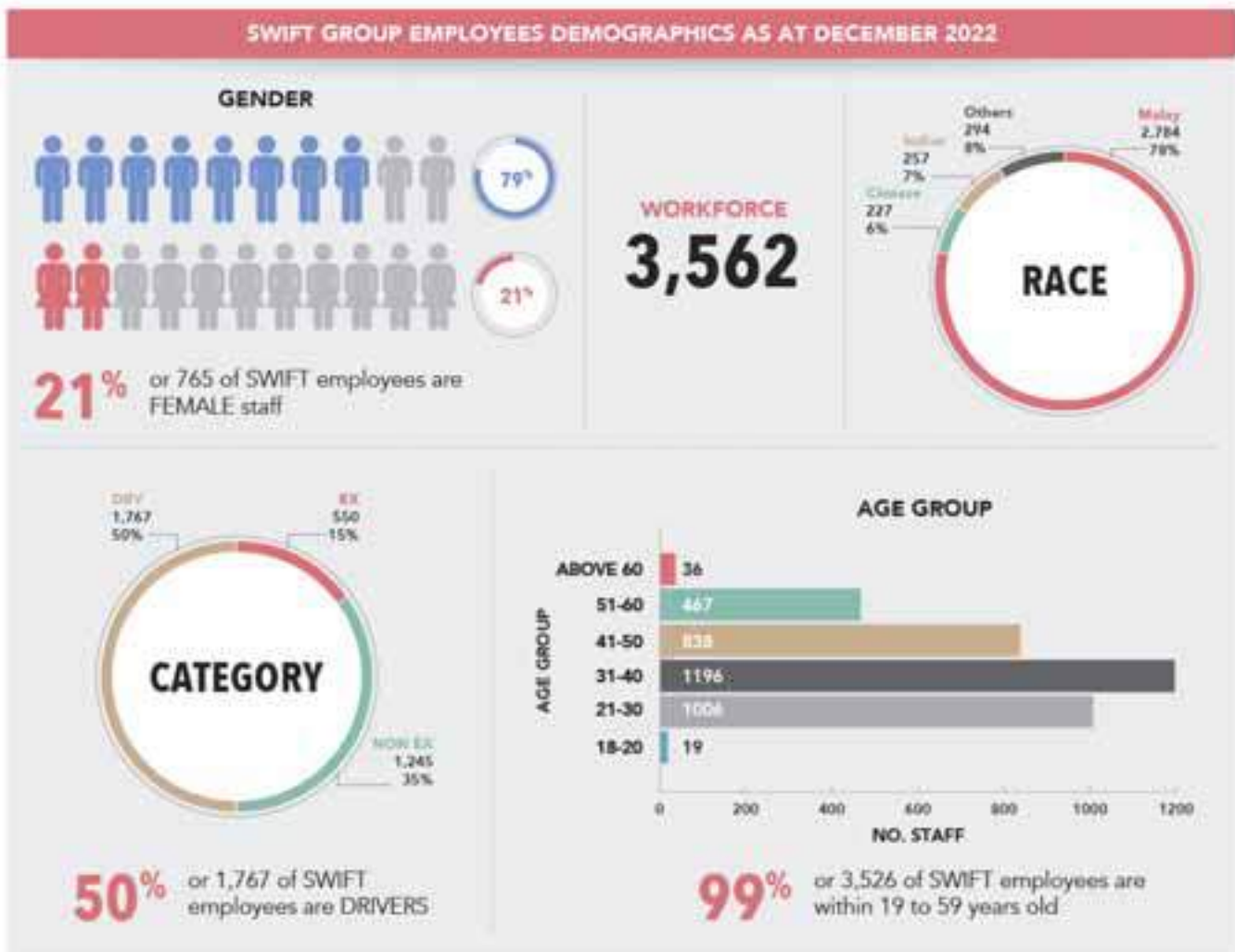
3 SOCIAL

EMPLOYMENT

Since its establishment, Swift has been upholding human rights and diversity as well as no discrimination and harassment regardless of race, gender, skin colour, ethnicity, social origin, religion, disabilities, sexual orientation etc. Our commitment is clearly stated in the Human Rights & Labour Practices Policy. Employees are covered under relevant laws such as the Employment Act, Industrial Relations Act, Children & Young Person Act, etc. To date, there have been zero complaints related to discrimination, harassment and human rights within the Group.

Employment rights and benefits are stated as per the employee's offer letter as well as other references, including Employee Handbook and Collective Agreement (Non-Executive) which are accessible to all employees via a portal. For drivers, benefits offered are beyond the regulatory standard, such as 14-day annual leaves, medical benefits (clinical, hospitalisation, Group Term Life Assurance ("GTLA") and Group Personal Accident ("GPA")) as per SDG Target 3.8, competitive incentive scheme, rewards for compliance to the Group's requirements and meal provided.

In regard to diversity and inclusion, Swift embraces SDG Target 10.2 and believes in the values gained from various people, ideas and cultures that will help boost the Group's performance. The demographic of Swift Group as of 31 December 2022 is illustrated below: -

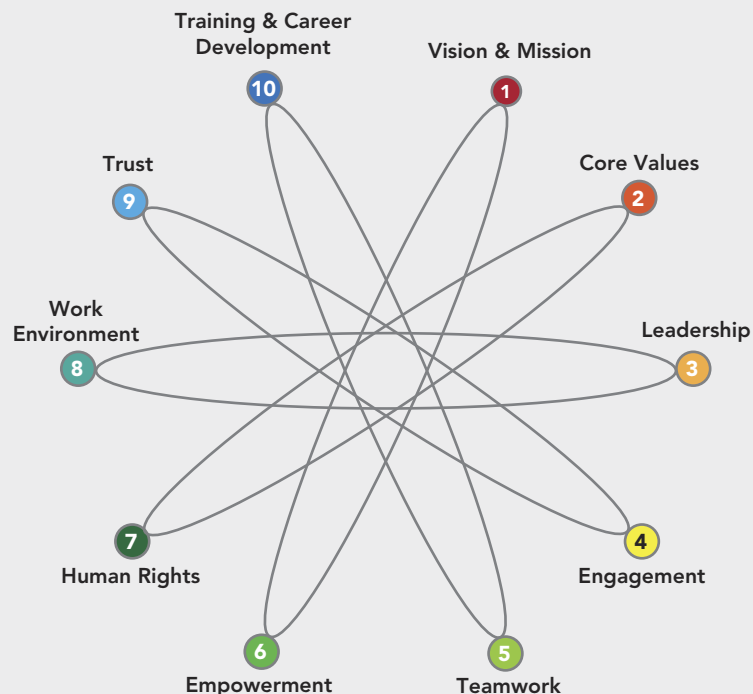


SUSTAINABILITY STATEMENT

While workplace diversity is focused in our Group, we also appreciate our employees' voices and opinions in order to develop workplace inclusion. As such, we have conducted a survey in Quarter 1 ("Q1") of the FYE 2022 to assess and determine Swift Group's culture and what actions can be taken to enhance it. All employees residing in Malaysia were invited to participate, and out of a total of 3,163 employees in Q1, 1,708 employees or 54% of them, responded. The survey was conducted via Google form between the period from 28 March 2022 to 15 April 2022. As a result, we have obtained an overall score of 3.85 out of 5, scaling from 1 as strongly disagree to 5 as strongly agree.



Survey includes **50 questionnaires** that describe **10 aspects** of an organization's culture.



SUSTAINABILITY STATEMENT



3 SOCIAL







Amongst the feedback received, we have concluded five (5) key suggestions from our employees and have deliberated over the initiatives to be taken in order to improve on such matters, summarised as follows: -

Questionnaire	Feedbacks	Initiatives
Vision & Mission, Core Values, Leadership and Engagement	<ul style="list-style-type: none"> Require frequent engagement session with HODs/management Improvement in leadership skills and listen to ideas and opinions from all levels 	<ul style="list-style-type: none"> HODs are encouraged to have engagement sessions with their staff To organise family day, annual dinner and company trip
Work Environment & Human Rights, Trust & Empowerment	<ul style="list-style-type: none"> To improve work condition & environment To promote positive culture and work life balance 	<ul style="list-style-type: none"> To organize Employee's Appreciation Day To promote work life balance, mental health and positive culture e.g. morning exercise, health screening etc
Training & Career Development	<ul style="list-style-type: none"> Allow staff to attend training program related with their profession 	<ul style="list-style-type: none"> Identify and provide suitable training programme

DIVERSITY AND EQUAL OPPORTUNITY

In an effort to uphold the highest standard of corporate governance, Swift adheres to Bursa Securities' requirements regarding Board leadership and effectiveness, Board independence and composition, diversity and remuneration. Our Board brings an accumulated wealth of experience, knowledge and strong leadership that helped steer the Company for growth.

In terms of gender diversity, the number of women sitting on the Board remained at two (2) as per last year's reporting, representing 28.5% of women representation. With SDG Target 5.5 in mind, we target to achieve 30% women's composition by the financial year ending 2023. At the Key Senior Management ("KSM") level, we have four (4) women, representing 40% of woman participation.

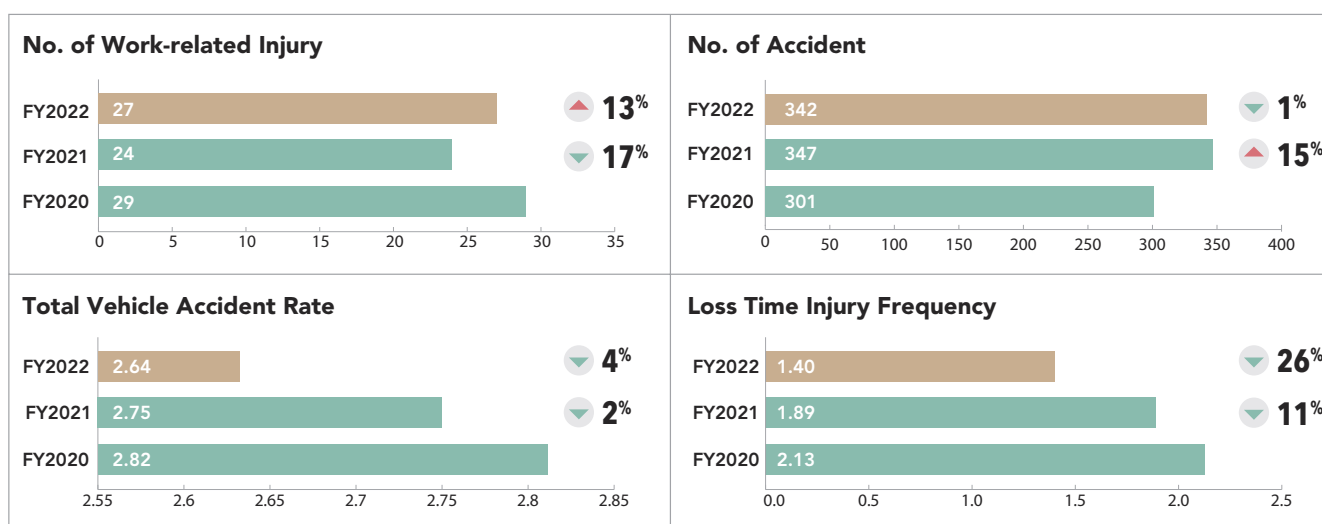
BOARD COMPOSITION		
MALE to Female ratio  5	Non-Independent  3	Executive  1
 2	Independent  4	Non-Executive  6

SUSTAINABILITY STATEMENT

OCCUPATIONAL HEALTH & SAFETY ("OHS")

Safety and health in the workplace and operations are essential, and we have been relentlessly working towards enhancing the importance of safety and health across the Group. Activities like management walkabouts, monthly inspections, HSE Committee meetings, audits, spot checks, safety and health talk and/or programs, evacuation drill, and others have been carried out throughout the year, and findings and/or non-compliances have been acted upon accordingly. This hallmarks our contribution towards SDG Target 8.8 by taking OHS affairs seriously across the Group.

Our performance is as follows: -



Note:

Work-related injury is defined as Lost Time Injury ("LTI") + non-LTI (those with medical leaves less than & equal to 4 days)

Total Vehicle Accident Rate = The total number of vehicle accidents reported per one million kilometre-driven

LTI = The sum of fatalities, Permanent Total Disability, Permanent Partial Disability and Loss Workday Case ("LWC")

Despite the higher number of work-related injuries recorded in FYE 2022, other indicators such as the number of accidents, total vehicle accident rate and LTI frequency are on a downward trend. This showed the positive impact of our stringent OHS management, and we shall multiply our efforts to embed safety and health in each employee to appreciate and value these essential qualities as their utmost priority.

During FYE 2022, we have also performed the following OHS activities within our workplace: -

- Weekly exercise and Zumba
- Health screening and blood donation (in collaboration with panel hospital & Tabung Darah, Hospital Tengku Ampuan Rahimah, Klang and Hospital Sultanah Nur Zahirah, Kuala Terengganu)
- Health talks/safety talks
- Employee Safe Commuting campaigns
- "Fatigue Management" talk to employees and drivers
- Quarterly safety campaign at Central Warehouse
- Random drug tests for employees and workers
- Sports competition
- Recognition for employees participating in U See U Act ("UCUA") Campaign



SUSTAINABILITY STATEMENT



3 SOCIAL

As advocated by SDG Target 3.6, Swift Group, being one of the major players in the logistics industry, places heavy emphasis on road transport safety with activities conducted in FYE 2022 as follows: -

- Stand down to share lessons learnt from major accidents
- Toolbox meeting
- Random prime mover inspection
- Road surveillance
- Behaviour observation safety session
- Induction (self-learning by the driver), 6-in-1 training (covering basic first aid, *Command Center & what to do in case of emergency*, *predelivery vehicle inspection (theory & practical)*, *basic firefighting*, *fatigue management*, *defensive driving*) and Driver Competency and Technical training
- Driver motivation training
- Mock drill in collaboration with the customer and another transporter
- Random drug and alcohol tests on drivers
- Driver/pilot engagement session with Swift Senior Management and customer
- Driver reward and consequence management
- Monitoring of drivers' violations by Command Centre such as overspeeding, harsh braking, idling, harsh acceleration and others, report to Operations for further action such as counselling, warning letter and other consequence management



In line with SDG Target 8.2, we are committed to take care of our drivers' safety and increase efficiency by leveraging on technology. During FYE 2022, we initiated the development of a driver's application to conveniently facilitate our drivers in vehicle inspection and in other related areas.

In Swift Group, we aim to achieve zero (0) fatalities, major injuries, and occupational illnesses. The team is committed to reduce accidents by intensifying safety training for drivers, workshops, warehouse and depot employees, frequent engagement with Operations and drivers, and improving awareness of self-health monitoring and actions.

SUSTAINABILITY STATEMENT

TRAINING & EDUCATION

Employees' learning and development are vital to support our delivery services in meeting customers' requirements. We strive to ensure that our employees are well-equipped with knowledge and skills in order to execute responsibilities and deliver results effectively, as per SDG Target 4.4. Throughout the years, the Group has rolled out the required trainings and skills development programmes as follows: -

	FYE 2022	FYE 2021	FYE 2020
No. of trainings conducted	135	94	84
No. of training days	265	163	168
No. of training hours	1,862	1,141	1,176
Training cost (RM'000)	691	234	151
No. of participants involved	2,438	1,271	596

Type of training	No. of training
Competency (Certification Programme)	6
Functional	67
Leadership	8
AEO/ISO/HSE/Road Transport Safety (RTS)	48
Technical	3
Soft Skills	3
Total	135

Amongst the training conducted during FYE 2022, sustainability-related training falls under the "functional" and "competency" categories, which contributed to a total of 78 hours.

Swift takes a strategic approach to talent development so that our employees have the opportunities to progress in their careers. Throughout the years, the Group has rewarded our employees with internal promotions for their superior performance as well as career mobility as part of the succession planning as below: -

	FYE 2022	FYE 2021	FYE 2020
Promotions	77	78	44
Management Trainee	1	7	
Internship	109	91	41

SUSTAINABILITY STATEMENT



3 SOCIAL

The Group also undertakes Management Trainees ("MT") Programme to prepare fresh graduates with high potential with a solid foundation and understanding of the Group's profile and further groom them as part of our next line of leadership. This is also a contribution to the nation to help develop capable personnel in the industry. Likewise, internship programmes provide Swift with fresh perspectives from the employees' points of view that can promote the Group's values externally.



LOCAL COMMUNITY

While we strive to improve our employees' welfare internally, we value giving back to our local community. During FYE 2022, we have undertaken five (5) corporate social responsibility activities involving an investment of RM0.03 million, including: -

- Sponsorship of Ottobock System (Artificial Limb) to Persatuan Veteran Bomba Dan Penyelamat Malaysia in January 2022
- Donation of essentials for Orphanages in Kuala Lumpur and Selangor, such as food, toiletries, detergents etc., in April 2022
- Sponsorship of golf towel for "Kejohanan Golf Perkasa Putrajaya 2022", organised by Persatuan Pegawai Kanan Kastam Malaysia, Cawangan Putrajaya, in August 2022
- Mobility Aids Donation to Bandar Damai Homecare and Pusat Jagaan Warga Tua Damai, KL, such as wheelchairs, commode chairs, adult diapers etc., in December 2022
- Duit raya to Pertubuhan dalam Komuniti ("PDK"), Bagan Indah, Butterworth in April 2022



SUSTAINABILITY STATEMENT

Swift also embarked on an initiative to reduce marine pollution as per SDG Target 14.1. Two (2) beach cleaning activities were carried out during the year. Twenty-four (24) Swift's employees participated together with the Majlis Daerah Kuala Langat to clean Pantai Kelanang, Kuala Langat, Selangor. Pursuant to the event, a total of 159 kg of trash were collected. Similarly, in Terengganu, the same activity was conducted at Pantai Teluk Gadung, Dungun, involving twenty-seven (27) Swift's employees and their family members. As a result, a total of 12 kg of rubbish were collected.



The flood disaster, which took place on 17 December 2021, affected approximately two hundred and fifty-nine (259) Swift employees in Selangor, Melaka, Pahang, and Terengganu. Some of the employees were not able to come to work, and some suffered major losses, mainly property damage due to the rise of the flood water reaching above six (6) feet and the roof level in certain areas. Most affected employees had flood water levels up to the waist and knee. Swift's Management was very concerned and provided a one-off financial aid amounting to RM104,000 in Q1 FYE 2022.

DATA PRIVACY

Swift recognises that sustainability goes beyond enriching people's life. Hence, we also focussed on data protection and security in order to enhance our public's trust and confidence towards the Swift Group. Protecting our employees' and customers' data from the cybersecurity threat is vital so as not to violate the trust given. Our Information and Communications Technology ("ICT") team has come up with Information Technology ("IT") Policy and Standard Operating Procedures ("SOPs") for managing IT resources and applications that cover data protection and security. The security features adopted across the Group include firewall and antivirus to protect against viruses, malware exploits, etc.

The ICT team also regularly sends out reminders to all employees to raise awareness of phishing and email scams, common cybersecurity threats, mobile device security, smart human firewall etc.

On a different note, the Swift Group always maintain the practice of having employees and contractors/vendors to execute a confidentiality agreement to ensure data confidentiality and comply with the Personal Data Protection Act 2010 ("PDPA").

SUSTAINABILITY STATEMENT



4 GOVERNANCE

REGULATORY COMPLIANCE

Swift, a responsible corporate entity, always adheres to applicable laws and regulations related to our industry. In this regard, policies and SOPs have been established, stating our commitments and proper processes in related areas, respectively. Internal audits were conducted yearly to gauge the Group's conformance to the management system. Walkabouts and inspections with participation from higher management were carried out quarterly to ensure compliance and workplace safety by identifying areas for improvements. This is also a requirement by the Department of Occupational Safety & Health to have regular site inspections to identify safety issues and rectify them accordingly. Additionally, permits, licenses and certificates are also being monitored in terms of fulfilment requirements and validity which plays a vital role for the Group in participating in tender exercises and securing contracts.

In FYE 2022, we are proud to inform that the Swift Group did not breach any laws and/or regulations. The Group will continue to monitor, remind and take necessary action in order to prevent any non-compliance.

ANTI-CORRUPTION

Our Employee Handbook and Collective Agreement have clearly stated that employees are obligated to conduct the business ethically and with integrity, failure of which disciplinary actions will be taken that could be tantamount to a termination of any employment. Swift views business ethics seriously and strongly enforces it across the Group. The Group expects employees to conduct and secure the business in an ethical manner so as to deliver services professionally and meet customers' expectations.

In early 2021, ABC Policy was implemented as per mandatory requirements of *Section 17A Malaysian Anti-Corruption Commission Act 2009 ("MACC 2009")*. Such Policy is aimed to safeguard Swift Group's Directors, controllers, officers, partners or any member in the Management from the potential exposure and liability of bribery and corruption offences in line with SDG Target 16.5. Continuous communication sessions are implemented and enforced within the Group while briefing on the relevant matters is conducted to the employees during induction sessions.



SUSTAINABILITY STATEMENT

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Swift aims to speed up our sustainability journey and focus on strengthening our position as the market leader. As a logistic player, our key commitment towards business sustainability is marked by our bold step in investing in green technology assets to support our nation's as well as the world's sustainability goals as a whole.



BOARD OF *Directors*



From left to right

*TAN SRI DATO SRI ABI MUSA
ASA'ARI BIN MOHAMED NOR*

LOO YONG HUI

LOO HOOI KEAT

BOARD OF DIRECTORS



*DATO' HAJI MD YUSOFF @
MOHD YUSOFF BIN JAAFER*

*DATO' GOPIKRISHNAN
A/L.N.S. MENON*

*DATUK NORIPAH
BINTI KAMSO*

*ROZAINAH
BINTI AWANG*

BOARD OF *Directors' Profile*



**TAN SRI DATO SRI ABI MUSA
ASA'ARI BIN MOHAMED NOR**
Independent Non-Executive Chairman

Malaysian 72 Male

Nationality Age Gender

Board Committee

NIL

Board Meeting Attendance in FYE 2022 : **5/5**

Tan Sri Dato Sri Abi Musa Asa'ari was appointed to the Board of Swift as the Independent Non-Executive Chairman on 22 June 2021.

Tan Sri Dato Sri Abi Musa holds a Bachelor of Economics (Hons) Degree from the University of Malaya in 1973. In 1980, he attained a Diploma in Development Administration at the University of Birmingham, United Kingdom and subsequently completed his MBA at the same University in 1988. Tan Sri Dato Sri Abi Musa was also conferred an Honorary PhD in Economic Management by Sultan Idris Education University in 2017.

Tan Sri has served the Malaysian Civil Service for 33 years in various government agencies, including the Public Service Department, the National Bureau of Investigation (the precursors of the MACC), the National Institute of Public Administration (INTAN), the Petroleum Development Unit of the Prime Minister Department, the Ministry of Finance and the Ministry of Agriculture. In 2006, he retired as Secretary-General of the Ministry of Agriculture.

After retirement from the government agencies, he was the Chairman of the board of directors of the Malaysia Cocoa Development Board from 2006 to 2012, Tabung Haji Malaysia and Sultan Idris Education University from 2007 to 2013.

Presently, Tan Sri Dato Sri Abi Musa is the Chairman of HeiTech Padu Berhad and MCT Berhad. He also holds directorships in Yayasan HeiTech and several other private limited companies.

Tan Sri Dato Sri Abi Musa has no family relationship with other Directors and/or major shareholders of the Company.



LOO YONG HUI
*Non-Independent Executive Director /
Group Chief Executive Officer ("CEO")*

Malaysian 34 Male

Nationality Age Gender

Board Committee

NIL

Board Meeting Attendance in FYE 2022 : **5/5**

Mr Loo Yong Hui was appointed as the Director in 2014 and promoted as the Group CEO on 1 May 2021. Subsequently, in conjunction with the listing of the Company in 2021, he was designated as the Non-Independent Executive Director on the Board on 25 June 2021.

Mr Loo Yong Hui holds a Bachelor's in Chemical Engineering from the University of Manchester, United Kingdom.

Mr Loo Yong Hui began his career as a Fund Analyst in 2011 at ECM Libra Financial Group Berhad. He then joined the Company in 2013 as the Corporate Planner, and in 2014, he assumed charge of the container haulage division for the Central Region. In 2019, he was appointed as the Group Executive Director. He was responsible for overseeing various divisions, including the Group Corporate Planning, Group IT, container depot, cross-border transportation, and container haulage divisions for the Central and Northern Regions.

Mr Loo Yong Hui is also the Director of the subsidiary companies, associated companies, and joint venture companies within the Group. He does not hold any directorship in any other public companies or listed issuers.

Mr Loo Yong Hui is the son of Mr Loo Hooi Keat, the Non-Independent Non-Executive Director/ Advisor of the Company. Save as disclosed, he has no family relationship with any other Director and/or major shareholder of the Company.

BOARD OF DIRECTORS' PROFILE



DATO' HAJI MD YUSOFF @ MOHD YUSOFF BIN JAAFAR

Non-Independent Non-Executive Director

Malaysian 75 Male

Nationality Age Gender

Board Committee

NIL

Board Meeting Attendance in FYE 2022 : **5/5**

Dato' Haji Md Yusoff was appointed to the Board on 9 March 2011 and designated as the Non-Independent Non-Executive Director on 25 June 2021.

Dato' Haji Md Yusoff holds a Bachelor of Social Science (Hons) in Political Science from the University of Science Malaysia.

Dato' Haji Md Yusoff served 34 years with the Royal Malaysian Police Force in various departments, namely the Special Branch Department in Pulau Pinang, Terengganu, and Kuala Lumpur. He was the State Deputy Chief Police Officer for Pulau Pinang and Pahang, the Chief Police Officer in Terengganu and the Commissioner of Police in Sarawak.

Upon his retirement from the Police force, Dato' Haji Md Yusoff acted as the Special Advisor to the Chief Minister of Sarawak under the Sarawak Ministry of Social Development and Urbanisation. He was also the Managing Director of SM Security (M) Sdn. Bhd. and later appointed as a Director of Berjaya Corporation Berhad, and Berjaya Inter-Pacific Securities Sdn. Bhd. (a subsidiary of Berjaya Corporation Berhad).

Presently, Dato' Haji Md Yusoff is a Director at Sunsoria Development Sdn. Bhd. and Yayasan Taat, the Special Advisor to the President of Chinese Chambers of Commerce Malaysia, and a Director of several subsidiaries under the Group. Dato' Haji Md Yusoff does not hold directorship in any other public companies or listed issuers.

Dato' Haji Md Yusoff has no family relationship with other Directors and/or major shareholders of the Company.



LOO HOOI KEAT

Non-Independent Non-Executive Director / Advisor

Malaysian 67 Male

Nationality Age Gender

Board Committee

Nomination and Remuneration Committee (Member)

Board Meeting Attendance in FYE 2022 : **5/5**

Mr Loo Hooi Keat was appointed to the Board on 27 March 2018 and designated as the Non-Independent Non-Executive Director/ Advisor on 25 June 2021.

Mr Loo Hooi Keat is a Certified Public Accountant and a Malaysian Institute of Certified Public Accountants ("MICPA") member.

Mr Loo Hooi Keat has over 24 years of experience in the logistics industry, and his vast professional experience includes working in multi-nationals such as Coopers & Lybrand, Bata Malaysia, Sime Darby Group of Companies, Lion Group of Companies, United Engineers (Malaysia) Berhad, and Konsortium Logistik Berhad (currently known as POS Logistics Berhad).

Mr Loo Hooi Keat has been the CEO of Swift since 2015 and is now acting as the Advisor providing an advisory role on the business direction and strategic guidance to the Group.

Presently, Mr Loo Hooi Keat is the President/ CEO of Pelikan International Corporation Berhad. He also holds directorship in several other private limited companies.

Mr Loo Hooi Keat is the father of Mr Loo Yong Hui, the Non-Independent Executive Director/ Group CEO and substantial shareholder of the Company. Save as disclosed, he has no family relationship with other Directors and/or major shareholders of the Company.

BOARD OF DIRECTORS' PROFILE



DATUK NORIPAH BINTI KAMSO *Independent Non-Executive Director*

Malaysian 65 Female

Nationality Age Gender

Board Committee

Nomination and Remuneration Committee (Chairperson)
Audit and Risk Management Committee (Member)

Board Meeting Attendance in FYE 2022 : 5/5

Datuk Noripah was appointed to the Board as the Independent Non-Executive Director on 22 June 2021.

Datuk Noripah holds a Master of Business Administration from Marshall University, West Virginia, USA, and a Bachelor of Science from Northern Illinois University, USA. She also earned a Diploma in Business Studies from the Institute of Technology Mara, Malaysia.

Datuk Noripah is the Chairman (Designate) of Arabesque Malaysia and Strategic Advisor of Pantas Climate Solutions. She also sits on the board of various companies, including DXN Holdings Berhad and the Global Advisory Board Member of Islamic Finance News.

Datuk Noripah was a banker for over 30 years. She joined CIMB Group in 1993 and held various key positions, including the CEO of CIMB Futures Sdn. Bhd., CEO of CIMB Principal Asset Management Berhad, Founding CEO of CIMB Principal Islamic Asset Management Sdn. Bhd. and an Advisor of CIMB Islamic Wholesale Banking until 2014.

Datuk Noripah has served as the Chairman of Bank Kerjasama Rakyat Malaysia in 2018 and Yayasan Bank Rakyat and is the Past President of the Malaysian Futures Brokers Association. She has been the Director of Top Glove Corporation Berhad, Malaysian Derivatives Clearing House, Malaysia Debt Ventures Berhad, BIMB Investment Management Berhad, and Federation of Investment Managers Malaysia. She also held positions in the Bursa Malaysia Market Participants Committee, Securities Industry Dispute Resolution Center, Islamic Finance Industry Council and International Council of Islamic Finance Educators.

In 2015, Datuk Noripah was a Global Practitioner in Residence at Drake University, Iowa, United States of America ("USA"), under the purview of the Principal Financial Group Center for Global Citizenship, USA. She also lectures Fundamentals of Islamic Finance Contracts at St. Joseph University in Beirut, Lebanon.

In the academic year 2016 - 2017, she was a Visiting Fellow in Islamic Finance at the Oxford Center for Islamic Studies ("OCIS"), United Kingdom.

Datuk Noripah was also an Adjunct Professor at the School of Economics, Finance and Banking, Universiti Utara Malaysia ("UUM") and the Faculty of Business Management, Universiti Teknologi MARA ("UiTM").

In 2019, Datuk Noripah was recognised as the "Most Influential Woman in Islamic Business and Finance" by the Cambridge International Financial Advisory and awarded the "Top 50 of the World's Most Prominent and Influential Personalities in Islamic Finance & Economy" by ISLAMICA 500 in 2018. Datuk Noripah also authored a globally acclaimed book, "Investing in Islamic Funds. A Practitioner's Perspective".

She has no family relationship with other Directors and/or major shareholders of the Company.

BOARD OF DIRECTORS' PROFILE



**DATO' GOPIKRISHNAN A/L
N.S. MENON**

Independent Non-Executive Director

Malaysian 61 Male

Nationality Age Gender

Board Committee

Audit and Risk Management Committee (Member)
Nomination and Remuneration Committee (Member)

Board Meeting Attendance in FYE 2022 : 5/5

Dato' Gopikrishnan was appointed to the Board as the Independent Non-Executive Director on 22 June 2021.

Dato' Gopikrishnan holds a Bachelor of Commerce Degree from the University of New South Wales, Sydney, Australia, in 1985, majoring in Accounting, Finance, and Systems.

Dato' Gopikrishnan has over 33 years of experience with the AmBank Group in Malaysia. He started his career at ArabMalaysian Merchant Bank Berhad, handling Corporate Banking & Factoring in the southern region, and later transferred to the head office in Kuala Lumpur. Dato' Gopikrishnan was responsible for selected corporate banking clients while managing Arab-Malaysian Merchant Bank for Sabah and Sarawak.

In 1996, Dato' Gopikrishnan was seconded to AMMB International (Labuan) Ltd., responsible for marketing strategies and achieving projected corporate goals. He retired from AmInvestment Bank in 2021.

Dato' Gopikrishnan does not hold directorship in other public companies or listed issuers. He has no family relationship with other Directors and/or major shareholders of the Company.



ROZAINAH BINTI AWANG

Independent Non-Executive Director

Malaysian 54 Female

Nationality Age Gender

Board Committee

Audit and Risk Management Committee (Chairperson)

Board Meeting Attendance in FYE 2022 : 5/5

Ms Rozainah was appointed to the Board as the Independent Non-Executive Director on 22 June 2021.

Ms Rozainah is a Fellow member of the Chartered Institute of Management Accountants ("CIMA"), United Kingdom qualification and a member of the Malaysian Institute of Accountants.

Ms Rozainah has over 17 years of experience in various capacities in MISC Berhad and its Group of Companies (MISC Group), including the Vice President of Finance. She was a Director at Labuan Reinsurance (L) Limited, Malaysia Marine and Heavy Engineering Holdings Berhad, and the London P&I Club committee member. Ms Rozainah was also on the board of various subsidiaries during her tenure at MISC Berhad.

Ms Rozainah was also attached to the Aluminium Company of Malaysia Berhad, TIME Telecommunications Sdn. Bhd. (Timedotcom), KUB GAS Sdn. Bhd., and Colgate Palmolive (M) Sdn. Bhd. during her professional career.

She does not hold any directorship in any other public companies or listed issuers, and she has no family relationship with other Directors and/or major shareholders of the Company.

Notes: -

1. Save as disclosed above, none of the Directors have family relationship with any Directors and/or major shareholders of the Company.
2. None of the Directors has a conflict of interest with the Company.
3. None of the Directors: -
 - (a) has been convicted of any offence within the past five (5) years other than traffic offences, if any; and
 - (b) was publicly sanctioned or imposed with a penalty by the relevant regulatory bodies during FYE 2022.

KEY SENIOR *Management*



Loo Yong Hui



Esther Kee Chung Ching



Stephanie Lim Bee Hong



Mazlan Bin Abdul Jalil



Ng Chee Kin



David Poh Tatt Wei



Tracy Neoh Lay Cheng



Thomas Ramadas



Muhammad Roy Nunis Bin Abdullah



Riznida Eliza Binti Hamzah

KEY SENIOR MANAGEMENT'S PROFILE



LOO YONG HUI
Group Chief Executive Officer

<i>Malaysian</i>	<i>34</i>	<i>Male</i>
<i>Nationality</i>	<i>Age</i>	<i>Gender</i>

Mr Loo Yong Hui was appointed as the Director in 2014 and promoted as the Group Chief Executive Officer on 1 May 2021. Subsequently, in conjunction with the listing of the Company in 2021, he was designated as the Non-Independent Executive Director on the Board on 25 June 2021.

Mr Loo Yong Hui holds a Bachelor's in Chemical Engineering from the University of Manchester, United Kingdom.

Mr Loo Yong Hui began his career as a Fund Analyst in 2011 at ECM Libra Financial Group Berhad. He then joined the Company in 2013 as the Corporate Planner, and in 2014, he assumed charge of the container haulage division for the Central Region. In 2019, he was appointed as the Group Executive Director. He was responsible for overseeing various divisions, including the Group Corporate Planning, Group IT, container depot, cross-border transportation, and container haulage divisions for the Central and Northern Regions.

Mr Loo Yong Hui is also the Director of the subsidiary companies, associated companies, and joint venture companies within the Group. He does not hold any directorship in public companies or listed issuers.

Mr Loo Yong Hui is a substantial shareholder of the Company through his substantial shareholdings in Persada Bina Sdn. Bhd.

Mr Loo Yong Hui is the son of Mr Loo Hooi Keat, the Non-Independent Non-Executive Director/ Advisor of the Company. Save as disclosed, he has no family relationship with any other Director and/or major shareholder of the Company.



ESTHER KEE CHUNG CHING
Group Chief Financial Officer

<i>Malaysian</i>	<i>44</i>	<i>Female</i>
<i>Nationality</i>	<i>Age</i>	<i>Gender</i>

Ms Esther Kee is the Group Chief Financial Officer, appointed on 1 September 2015. She is responsible for the overall financial affairs of the Group.

She graduated with a Bachelor's Degree in Finance and Accounting in 2001 from Sheffield Hallam University, United Kingdom.

She completed the Association of Chartered Certified Accountants ("ACCA") examination in 2003 and was affiliated as a member in 2008. In the same year, she joined the Malaysian Institute of Accountants ("MIA") as a member. She then became a Fellow Chartered and Certified Accountant in 2013.

Ms Esther has four (4) years of experience at audit firms before joining the logistics industry at Konsortium Logistik Berhad. She was promoted to Vice President of Finance before leaving the company in 2011. She continued her career with Pelikan International as Vice President of Corporate Planning in 2012 and the Group Financial Officer of Persada Bina in 2014, responsible for overseeing the Group's finance matters until 2015.

In 2015, she joined Swift as the Group Chief Finance Officer. Presently, she holds directorships in five (5) companies within Swift Group. She was appointed Director of Swift Haulage Services, MILS Cold Hub and Swift Commerce in 2017. She was also appointed as the Director for Earth Move International in 2020, Ann Joo Properties in 2021 and Watt Wah Petroleum Haulage Pte. Ltd. in 2022.

She does not hold directorships in public companies or listed issuers and has no family relationship with any Director and/or major shareholder of the Company.

KEY SENIOR MANAGEMENT'S PROFILE



STEPHANIE LIM BEE HONG

Managing Director
Southern Region (Container Haulage, Warehousing and Freight Forwarding)

<i>Malaysian</i>	<i>52</i>	<i>Female</i>
<i>Nationality</i>	<i>Age</i>	<i>Gender</i>

Ms Stephanie Lim is the Managing Director of the Southern Region, managing container haulage, warehousing and freight forwarding divisions. She was appointed to this position on 1 April 2017.

Ms Stephanie graduated with a Sijil Tinggi Pelajaran Malaysia (STPM) in 1988 from Sekolah Menengah St. Joseph, Johor Bahru, Johor.

After her graduation, Ms Stephanie began her career at Bestari Marine Sdn. Bhd. She was transferred to Boustead Shipping Agencies in 1990 and was responsible for coordinating forwarding principals' requirements with shipping lines and ensuring customs clearance. She left Boustead Shipping Agencies and joined EAC Transport Agencies Sdn. Bhd. in 1993 and was subsequently appointed as General Manager in 2005. She was promoted to Senior General Manager in 2011 after the acquisition of the company by DKSH Transport Agencies (M) Sdn. Bhd. ("DKSH"). In 2013, DKSH was acquired by Swift Group, and has been renamed as Swift Logistics TA. Ms Stephanie was then promoted as Executive Director and further promoted to Managing Director until the present.

She is currently the President of the Johor Ports Shipping & Forwarding Association and a Director of Prosperity Hub Development Sdn. Bhd.

She does not hold directorships in public companies or listed issuers and has no family relationship with any Director and/or major shareholder of the Company.



MAZLAN BIN ABDUL JALIL

Executive Director
Eastern Region (Container Haulage, Warehousing, Freight Forwarding and Inland Distribution)

<i>Malaysian</i>	<i>54</i>	<i>Male</i>
<i>Nationality</i>	<i>Age</i>	<i>Gender</i>

Mr Mazlan is the Executive Director of the Eastern Region for the container haulage, warehousing, freight forwarding and inland distribution divisions. He was appointed to this position on 1 January 2021.

Mr Mazlan graduated with a Bachelor of Science in Industrial Engineering from the University of Texas, the United States of America, in 1990.

Mr Mazlan began his career in 1991 as an Engineer in the Parts Quality Assurance Department of Sony TV Industries Sdn. Bhd. With 14 years of experience, he joined MISC Integrated Logistics Sdn. Bhd. ("MILS") in 2005. He was appointed as the Manager of Business Solutions and Development, Energy Downstream (MILS was later acquired by Swift in 2016 and is currently known as Swift Integrated Logistics). Throughout his career in the company, he was responsible for overseeing logistics, warehousing, haulage, freight forwarding, energy supply chain, specialised transportation and inland distribution divisions.

In 2017, he was promoted as the General Manager, Supply Chain Management Energy in Swift Integrated Logistics, overseeing specialised transportation in the Eastern Region and East Malaysia. In 2021, he was promoted as the Executive Director of the Eastern Region.

He does not hold directorships in public companies or listed issuers and has no family relationship with any Director and/or major shareholder of the Company.

KEY SENIOR MANAGEMENT'S PROFILE



NG CHEE KIN

Executive Director

Central Region (Warehousing, Freight Forwarding and Cross-Border Transportation)

<i>Malaysian</i>	<i>64</i>	<i>Male</i>
<i>Nationality</i>	<i>Age</i>	<i>Gender</i>

Mr Ng Chee Kin is the Executive Director of the Central Region for warehousing, freight forwarding and cross-border transportation divisions. He was appointed to this position on 1 September 2011.

Mr Ng pursued his secondary education at Sekolah Menengah Inggeris Port Dickson (currently known as Sekolah Menengah Kebangsaan Tinggi Port Dickson) in Negeri Sembilan.

Mr Ng has over forty (40) years of experience in the logistics industry. He had served more than seven (7) companies before he joined DKSH (currently known as Swift Logistics TA) in 2005. Mr Ng's vast experience and knowledge in the supply chain, shipping and forwarding operation have positioned him among the management lines of the company. Prior, he was the Managing Director and shareholder of Macro Logistics (M) Sdn. Bhd., a company that Swift acquired with 65% equity interest. The company was then renamed as Swift Consolidators, and Mr Ng is the Director currently.

Since 2011, he has been appointed Executive Director and is responsible for monitoring the forwarding, cross-border, and warehouse divisions and supporting the Group's organisation's strategic alliances and partnerships.

He does not hold directorships in public companies or listed issuers and has no family relationship with any Director and/or major shareholder of the Company.



DAVID POH TATT WEI

Executive Director

Central Region (Inland Distribution)

<i>Malaysian</i>	<i>39</i>	<i>Male</i>
<i>Nationality</i>	<i>Age</i>	<i>Gender</i>

Mr David Poh is the Executive Director of the Central Region for the inland distribution division, appointed on 1 January 2021.

Mr David graduated with a Bachelor of Arts in Marketing Management (second class upper division) from Anglia Ruskin University (former name for Anglia Polytechnic University) in Chelmsford, the United Kingdom, in 2004.

Mr David began his career in 2002 as Assistant Branch Manager at Tanjong Express. His responsibility includes human resources, maintenance, accounts, operations, billings, and marketing. In 2007, he was transferred to Tanjong Express in Pelabuhan Klang. Mr David set up a branch office in Bukit Beruntung in 2009 and served as the Branch Manager of Tanjong Express. With more than 19 years of experience and the successful development of Tanjong Express during his supervision, the Group appointed him as the General Manager in 2018. In 2021, his career continued to grow when he was further promoted to Executive Director of the Central Region for the inland distribution division of Tanjong Express.

Presently, Mr David serves as the Director of Millennium Collection Sdn. Bhd.

He does not hold directorships in public companies or listed issuers, and has no family relationship with any Director and/or major shareholder of the Company.

KEY SENIOR MANAGEMENT'S PROFILE



TRACY NEOH LAY CHENG

Executive Director
Northern Region (Container Haulage and Warehousing)

<i>Malaysian</i>	<i>52</i>	<i>Female</i>
<i>Nationality</i>	<i>Age</i>	<i>Gender</i>

Ms Tracy Neoh is the Executive Director of the Northern Region for the container haulage and warehousing divisions. She was appointed to this position on 3 April 2019.

Ms Tracy pursued her secondary education at Sekolah Menengah Kebangsaan Datuk Onn, Butterworth, Pulau Pinang and left school in 1987.

With over thirty (30) years of working experience, Ms Tracy joined Tanjong Express in 1998 and was appointed Account Supervisor. She was directly involved in developing Tanjong Express into the container haulage industry. In 2001, when Tanjong Express's operation commenced officially, she was given the trust to lead and monitor the company's overall operation. Subsequent to the acquisition of Tanjong Express, the Company maintained her position as the Executive Director to oversee the container haulage division in the Northern Region.

She does not hold directorships in public companies or listed issuers, and has no family relationship with any Director and/or major shareholder of the Company.



THOMAS RAMADAS

Senior General Manager
Central Region (Container Haulage)

<i>Malaysian</i>	<i>51</i>	<i>Male</i>
<i>Nationality</i>	<i>Age</i>	<i>Gender</i>

Mr Thomas Ramadas was appointed as the Senior General Manager of the Central Region for the container haulage division on 10 March 2021.

Mr Thomas graduated with a Bachelor of Economics with Honours degree from Universiti Utara Malaysia in 1996.

He began his career at POS Logistics Berhad (previously known as Konsortium Logistik Berhad) from 1996 until 2002. His responsibility includes strategic planning and the development of the company.

After leaving POS Logistics Berhad, he joined Tanjong Express, followed by Yinson Haulage (Swift's previous name) in 2003, who was responsible for the whole company's operations. Following the acquisition of the company by Persada Bina, he climbed to several posts in his career, including Operation Manager, Marketing Manager, and Head of Haulage of the Central Region. In 2021, he was appointed the Senior General Manager of the Central Region until the present.

He has been a council member of the Association of Malaysian Hauliers ("AMH") since 2013 and was elected as the Vice President of AMH in 2017 until today.

He does not hold directorships in public companies or listed issuers, and has no family relationship with any Director and/or major shareholder of the Company.

KEY SENIOR MANAGEMENT'S PROFILE



MUHAMMAD ROY NUNIS BIN ABDULLAH

Senior General Manager
Group Human Resources & Administration and Health, Safety, Security, Environment and Quality

<i>Malaysian</i>	<i>64</i>	<i>Male</i>
<i>Nationality</i>	<i>Age</i>	<i>Gender</i>

Mr Muhammad Roy is the Senior General Manager of the Group Human Resource & Administration and Health, Safety, Security, Environment and Quality. He was appointed to this position on 1 January 2021.

Mr Muhammad Roy has more than thirty (30) years of experience in Human Resources and Administration. He obtained his Master of Human Resource Management & Industrial Relations from the University of Newcastle, Australia, in 2003.

In 1990, he began his career as an Executive in Human Resource Department at MISC Berhad. He was then promoted as the General Manager at MISC Berhad in 2009, where he led the talent management and career development for the senior leadership. After MISC, he held the Head of Human Resources and Administration position at MILS from 2016 to 2018 before joining Swift Group in 2019.

Presently, he holds directorships in seven (7) companies within the Group, namely Swift Integrated Logistics in 2017, Tanjong Express Logistic, Tanjong Express and Komunajaya in 2018, Sentiasa Hebat, Sentiasa Hebat (Penang) and Agensi Tanjung Bruas since 2020.

He does not hold directorships in public companies or listed issuers, and has no family relationship with any Director and/or major shareholder of the Company.



RIZNIDA ELIZA BINTI HAMZAH

Senior General Manager
Group Legal, Corporate Services and Strategic Communications

<i>Malaysian</i>	<i>51</i>	<i>Female</i>
<i>Nationality</i>	<i>Age</i>	<i>Gender</i>

Ms Riznida Eliza is the Senior General Manager of the Group Legal, Corporate Services and Strategic Communications. She was appointed to her current position on 1 January 2021.

Her responsibilities include:

- providing legal leadership and managing the legal portfolio,
- liaison and managing corporate services portfolio – compliance with Bursa Malaysia listing rules, laws and regulations,
- overseeing strategic communications, specifically internal and external communications, stakeholder engagement, Corporate Social Responsibility ("CSR"), website, media relations and publications

relating to Swift Haulage Berhad organisation.

Ms Riznida graduated with an LLB (Hons) from the University of Warwick, United Kingdom, in 1995. She holds a Certificate of Legal Practice from the Legal Profession Qualifying Board, Malaysia.

Ms Riznida's experience ranges from managing the corporate legal portfolio in various organisations, including Renong Group (TIME Telekom Sdn. Bhd.), secondment to the Ministry of Energy, Communications and Multimedia (Jabatan Telekomunikasi Malaysia), Prasarana Malaysia Berhad and practising as an Advocate & Solicitor in the area of corporate legal matters.

She does not hold directorships in public companies or listed issuers, nor has no family relationship with any Director and/or major shareholder of the Company.

Notes: -

- None of the Key Senior Management has a conflict of interest with the Company.
- None of the Key Senior Management: -
 - has been convicted of any offence within the past five (5) years other than traffic offences, if any; and
 - was publicly sanctioned or imposed with a penalty by the relevant regulatory bodies during the FYE 2022.

CORPORATE GOVERNANCE

Overview Statement

The Board of Directors ("Board") of the Company is highly committed to uphold and maintain a sound corporate governance environment by complying with and implementing the principles, practices and guidelines set out in the Malaysian Code on Corporate Governance 2021 ("MCCG") issued by the Securities Commission Malaysia. The MCCG premises on the notions of transparency, accountability and integrity with a view to protect shareholders' investments, stakeholders' interests, as well as the Group's assets.

The Board is pleased to present the Corporate Governance Overview Statement ("CG Statement"), which intends to provide an overview of the Board's initiatives and commitments in promoting good corporate governance practices during FYE 2022 in accordance with the following main principles as well as key areas and future priorities in relation to corporate governance: -

- Principle A: Board Leadership and Effectiveness;
- Principle B: Effective Audit and Risk Management; and
- Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The disclosures of this CG Statement are made with reference to Paragraph 15.25(1) and Practice Note 9 of the MMLR. Shareholders are advised to pursue this CG Statement together with the Company's Corporate Governance Report ("CG Report") for a detailed explanation of the application of each practice. Both the CG Statement and CG Report are made available at the Bursa Securities' website as well as the Company's website at www.swiftlogistics.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. The Board

Our Board is ultimately responsible for the overall governance, stewardship, direction as well as management of Swift towards its strategic aims and objectives. Therefore, the Board has set the Group's vision, mission and core values to lead our people in driving towards business excellence. Our Independent Non-Executive Chairman, Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor, has also led the Board to develop the Group's business strategic directions and objectives in order to support its long-term value creation.

The Board is also aware of the importance of having clear roles and responsibilities in discharging its fiduciary and leadership function. In this regard, the Board has defined its roles, duties and responsibilities in the Board Charter, which is published on the Company's website at www.swiftlogistics.com.my/policies/.

In addition, to ensure an effective discharge of responsibility, the Board is supported by two (2) Board Committees, namely the Audit and Risk Management Committee ("ARMC") as well as the Nomination and Remuneration Committee ("NRC"). Both the ARMC and NRC are entrusted to support the Board by overseeing respective matters under their purview. This shall ensure a more focused and efficient governance within the Board, which in turn improves the Board's effectiveness as a whole.

The Board is committed to ensure a balance of power and authority within the Company in order to instil the highest standard of accountability and integrity in governance control. As such, the Company has segregated the positions of Board Chairman and Group Chief Executive Officer ("Group CEO") between two (2) different individuals. Both the Board Chairman and Group CEO assume separate roles within the Board, where the Board Chairman is primarily responsible for the Board's governance and effectiveness. At the same time, the Group CEO holds an executive role in implementing the business plan and monitoring day-to-day business operations. On a separate note, the Board Chairman has also exempted himself from holding any Board Committee position in an attempt to promote true independence and act in the best interests of our shareholders and stakeholders at all times, as recommended by the MCCG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

1. The Board (Cont'd)

During FYE 2022, there were five (5) meetings held, and the attendance of all Board members indicated as follows: -

Director	Meeting Attendance	Percentage of Attendance
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	5/5	100%
Loo Yong Hui	5/5	100%
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	5/5	100%
Loo Hooi Keat	5/5	100%
Dato' Gopikrishnan A/L N.S. Menon	5/5	100%
Datuk Noripah Binti Kamsu	5/5	100%
Rozainah Binti Awang	5/5	100%

All Directors have shown their commitment with full attendance in all Board meetings. In order to facilitate the meeting proceedings, all Board meetings are scheduled in advance, and all meeting materials, such as Board papers and meeting agenda, are circulated at least three (3) days prior to the scheduled meeting. This shall provide sufficient time for the Directors to peruse and consider on the matters to be discussed. In order to uphold the objectivity and independence of meeting deliberation, the Board ensures that all Board meetings are not combined with any Board Committee meetings.

During the financial year under review, the Board is supported by two (2) qualified and competent Company Secretaries to facilitate on administrative matters and meeting proceedings, as well as compliance with all applicable legal and corporate governance standards. The Company Secretaries have attended all Board and Board Committee meetings to facilitate the meeting proceedings and record all the matters raised, including deliberations, decisions and conclusions made in the meetings. Upon conclusion of meetings, meeting minutes are circulated to all Board members within 30 business days for their review and subsequently tabled at the subsequent meeting for confirmation.

The Company Secretaries have and will continue to keep themselves updated with the latest regulatory developments and corporate governance practices through continuous training and professional development programme. In FYE 2022, the Board is satisfied with the Company Secretaries who have discharged their duties and supported the Board in a professional and adequate manner.

2. Demarcation of Responsibilities

The Company has established a Board Charter that serves as a guide to the Board in fulfilling their duties and responsibilities. The Board Charter outlines the respective roles and responsibilities of the Board, Board Committees, Chairman, Executive Directors, Independent Non-Executive Directors and Company Secretaries, as well as the matters reserved for the Board's deliberation and decision.

The Board Charter is reviewed periodically and as and when required in order to remain updated with any new regulations or changes that may have an impact on the discharge of the Board's responsibilities. The Board Charter is accessible on the Company's website at www.swiftlogistics.com.my/policies/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

3. Ethical Business Conduct and Robust Corporate Culture

The Board is committed in maintaining a corporate culture as well as professionalism, ethics and legal conduct in the Group's business activities. In line with the enforcement of Section 17A of the MACC Act 2009 (Amendment 2018), the Company has adopted an Anti-Bribery and Corruption Policy ("ABC Policy") as a way of practising and normalising a culture of integrity and transparency within the Group. The ABC Policy indicates the Group's zero-tolerance stand against any form of bribery and/or corruption practices by providing guidance towards any bribery and corruption issues in the event of occurrence.

In line with promoting and maintaining a structured corporate governance practice, the Board has also formalised and adopted a Whistleblowing Policy for all employees and stakeholders to raise a concern or make a report on any suspected and/or known misconduct, wrongdoings or malpractices within the Group. The report can be made to the Chairman of ARMC by sending a formal letter to Company's address or via email at compliance@swiftlogistics.com.my. Upon receiving any whistleblowing report, the Chairman of the ARMC may direct the whistleblowing report to the division/department best placed to address it or lead the investigation directly to ensure that such investigation will be carried out in a timely and fair manner.

Swift always ensures that whistleblower who reports in good faith will be protected by handling all information with a high level of confidentiality. The Whistleblowing Policy shall be reviewed from time to time in order to maintain its relevance and compliance with all applicable laws and regulations.

Both the ABC Policy and Whistleblowing Policy are published on the Company's website at www.swiftlogistics.com.my/policies/.

4. Sustainability Management

The Board is committed to advocate sustainability management across the Group in order to promote sustainable growth. In this regard, the Board is ultimately responsible for the Group's overall sustainability affairs by overseeing the Group's overall sustainability strategies and performance. The Board is supported by the Sustainability Steering Committee ("SSC") and Sustainability Working Committee ("SWC") for the effective execution of sustainability initiatives in the Group's daily business operations.

During the financial year under review, the SSC has deliberated on a sustainability roadmap to ensure the sustainability journey is on track, highlighting the Group's sustainability Key Performance Indicators ("KPIs"), targets and timelines. Bearing this in mind, the Group's sustainability performance will continue to be undertaken by SWC and monitored by SSC. The SSC is tasked to report the Group's sustainability progress to the Board on a periodic basis.

In order to ensure that the Company's sustainability strategies, priorities and targets, as well as performance, are well communicated to both our internal and external stakeholders, we have disclosed a detailed elaboration on our sustainability initiatives in the Sustainability Statement within this Annual Report.

With the aim to sustain the ever-changing sustainability trend, the Board strives to undergo appropriate and relevant training programs in order to stay abreast and relevant with the latest sustainability issues. At the same time, the Board is also kept updated by the ARMC on the Group's risk management and internal control system, which also involves the sustainability risks relevant to the Group. The details of the training programs attended by Directors during the FYE 2022 are set out in Paragraph 6 within this CG Statement.

In order to enhance our sustainability management, the Board has included the consideration of performance in addressing the Group's sustainability matters in the annual performance review for FYE 2022. This has marked an improvement in our sustainability commitment along with our sustainability journey.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION

5. Effective Board with Sufficient Diversity

The Board consists of seven (7) members, which includes one (1) Executive Director, four (4) Independent Non-Executive Directors, and two (2) Non-Independent Non-Executive Directors, indicated as follows: -

Name	Directorship
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	Independent Non-Executive Chairman
Loo Yong Hui	Non-Independent Executive Director/ Group CEO
Dato' Haji Md Yusoff @ Mohd Yusoff bin Jaafar	Non-Independent Non-Executive Director
Loo Hooi Keat	Non-Independent Non-Executive Director/ Advisor
Datuk Noripah Binti Kamso	Independent Non-Executive Director
Dato' Gopikrishnan A/L N.S. Menon	Independent Non-Executive Director
Rozainah Binti Awang	Independent Non-Executive Director

As indicated above, more than half of the Board are Independent Directors who support the objectivity and independence of the decision-making process in the Boardroom in order to protect the interest of our shareholders and stakeholders. The Board also assesses the independence of the Independent Directors on an annual basis by taking into account the individual Director's ability to exercise independent judgment at all times and based on the criteria as set out in the MMLR.

The details of the qualification and experience of each Director are provided in the Board of Directors Profile section within this Annual Report. Furthermore, in total, 28.6% of the present Board is represented by two (2) women Directors as at 31 December 2022, reflecting our commitment to gender parity and complying with the MMLR of Bursa Securities which comprise of at least one (1) woman Director.

In line with the MCCG requirement, the Board has developed a Board Diversity Policy within the Company's Board Charter to serve as a guideline for the NRC to maintain the Board with an appropriate balance of independence and gender. Nevertheless, gender is not considered a pre-requisite criterion for the directorship in Swift or any managerial positions in the Group, as such appointments shall be based on objective criteria and merit.

To ensure an effective appointment, the Board has, on 30 June 2022, adopted the Directors' Fit and Proper Policy to set out formal criteria for the NRC to review on the appointment and re-election of Directors. This policy shall ensure that all the Board members possess adequate character, integrity, relevant range of skills, knowledge, experience, and competence, as well as the time commitment to discharge his/her role as a Director of the Company.

The NRC is entrusted to ensure the Board's effectiveness by executing an annual review of the Board composition and the tenure of each Director. The NRC is made up of three (3) Non-Executive Directors, with composition as follows: -

Designation	Director	Directorship
Chairperson	Datuk Noripah Binti Kamso	Independent Non-Executive Director
Member	Dato' Gopikrishnan A/L N.S. Menon	Independent Non-Executive Director
Member	Loo Hooi Keat	Non- Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

5. Effective Board with Sufficient Diversity (Cont'd)

Re-election of Directors

Pursuant to Clause 21.7 of the Company's Constitution, one-third (1/3) of the Board shall retire from the office every year but shall be eligible for re-election at the Annual General Meeting ("AGM"). All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. The NRC has informed the Board that Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor and Datuk Noripah Binti Kamso shall retire from office this year's end and, being eligible, have offered themselves for re-election. The NRC has carried out a review on the said matter and recommended such re-appointment to the Board for proposing on the upcoming Twenty-Third ("23rd") AGM for shareholders' approval with the following justifications and their fitness and propriety with reference to the Directors' Fit and Proper Policy: -

- Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor, being the Board Chairman, has been discharging his duties effectively and responsibly. He also possesses relevant experience in leading the Board to drive the Company's excellence with his broad perspective in various capacities; and
- Datuk Noripah Binti Kamso has vast experience, particularly in the banking industry, which may add value to the discharge of her role as a member of the ARMC. She has also led the NRC adequately since her appointment to the Board. Her experience in other fields, such as economics as well as Islamic business and finance, has also enhanced her capability to support the Board as a whole.

With reference to Paragraph 8.27(2) of the MMLR, information pertaining to the re-election of the abovementioned Directors is depicted in the Statement Accompanying Notice of AGM, annexed as part of the Annual Report 2022. Shareholders are provided with further information and directed to the relevant sections, i.e., the Board of Directors Profile, to facilitate them in making informed decisions when exercising their voting rights at the AGM.

Tenure of Independent Director

In accordance with the terms set out in the Board Charter, the Company has limited the tenure of Independent Directors to a cumulative period of nine (9) years. Currently, there have yet to be any exceptions noted on this, as none of the Independent Directors has served the Company on the Board for more than nine (9) years. In the event the Board intends to retain an Independent Non-Executive Director who has served the Company for more than nine (9) years, the Board should justify and seek annual shareholders' approval through a two-tier voting process as recommended by Practice 5.3 of MCCG. This term has also been clearly stated in the Company's Board Charter on the Company's website at www.swiftlogistics.com.my/policies/.

During the FYE 2022, there was no new director appointment to the Board. Nevertheless, in the event that a vacancy on the Board arises, the Board and NRC would not hesitate to utilise independent sources to identify suitably qualified candidates when necessary.

6. Overall Board Effectiveness

Guided by the Terms of Reference, the NRC has assessed and evaluated the effectiveness of the Board and Board Committees as well as the contribution and performance of each Director for the FYE 2022. The process of the assessment and evaluation was conducted through the distribution of the respective digital evaluation forms to each of the Directors: -

- a) Self and Peer Performance Evaluation Form;
- b) Board and Board Committees Performance Evaluations Form; and
- c) ARMC Evaluation Form.

Such performance evaluation was conducted internally, assisted by the Company Secretaries. For the FYE 2022, the Board is of the opinion that such internal performance evaluation was effective and hence no external party was engaged for such purpose.

The establishment of the said evaluation forms is based on the Company's Directors' Fit and Proper Policy by taking into consideration character, integrity, experience, competence, time and commitment. Based on the outcome of the performance evaluation conducted, the NRC is satisfied and is in agreement with the overall performance of the Board, Board Committees and individual Directors in effectively performing their assigned duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

6. Overall Board Effectiveness (Cont'd)

Directors' Training

During FYE 2022, the Board has also taken initiatives to enhance their needs of continuous development and training in order to keep abreast and relevant with all changes in laws, regulations and the business environment so as to discharge their duties effectively.

During the financial year, the Directors have attended the following training programmes: -

Director	Training Programmes Attended
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	<ul style="list-style-type: none"> Audit Oversight Board: Conversation with Audit Committees 2022
Loo Yong Hui	<ul style="list-style-type: none"> Audit Oversight Board: Conversation with Audit Committees 2022
Loo Hooi Keat	<ul style="list-style-type: none"> Leadership Training and Discussion on Reporting, Policies, Tax and Other Finance Related Matters
Dato' Gopikrishnan A/L N.S. Menon	<ul style="list-style-type: none"> Raising Defences, Section 17A, MACC Act
Datuk Noripah Binti Kamso	<ul style="list-style-type: none"> Culture Workshop for Board and Management 2022 Board Away Day: Be Relevant and Sustainable in Gloves and Healthcare Business Top Glove Annual Leadership Summit 2022 Levelling Up Top Glove's Human Rights Practices to International Standards by Dato Mah Weng Kwai Commissioner, Human Rights Commission of Malaysia (SUHAKAM) on Business & Human Rights to BOD & Top Management Audit Oversight Board Conversation with Audit Committees 2022 - "How the Audit Committees And Auditors Can Work Together Towards Reliable Audited Financial Statements" Global Islamic Finance and United Nations SDGs Taskforce Meeting - "Green and Sustainable Sukuk & How It Can Contribute to COP 28" Global Islamic Finance Forum 2022 - "Whole-of-ecosystem Alignment to The Values" Khazanah Megatrends Forum 2022 - "Developments and Complexities. Steering Our Way Through a Perfect Storm"
Rozainah Binti Awang	<ul style="list-style-type: none"> Driving Responsible and Sustainable Value Creation Through Governance

Although Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar was not able to attend a structured training programme during the financial year under review due to his personal exigencies, he continued to gain updates through the briefings by the Company Secretaries and External Auditors during the quarterly meetings as well as communications with other Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION

7. Remuneration Policy and Procedures

The Board, through the NRC, has on 6 April 2022 formalised and established the Remuneration Policy to determine the remuneration of Directors and Senior Management, which takes into account the performance of the Company and the Group as well as the individual's skills and experience.

As per the Terms of Reference, the NRC is responsible to implement a fair and transparent policy and procedures on remuneration by reviewing and recommending the appropriate remuneration packages of all Directors and Senior Management to the Board. In this respect, the remuneration of Executive Directors is benchmarked against their responsibility levels, complexity, skills and experience, as well as the current market condition. On the other hand, the remuneration of the Non-Executive Directors shall comprise mainly the Directors' fee and meeting allowance, which reflects their experiences, level of responsibilities and time commitment. Both the Terms of Reference of the NRC and Remuneration Policy are published on the Company's website at www.swiftlogistics.com.my/policies/ for public reference.

8. Remuneration of Directors and Senior Management

The NRC has ensured that the Board's remuneration packages are in line with their responsibilities, skills and experience, as well as the performance of the Company and the Group. The remuneration of our Directors for the FYE 2022 is tabled as follows: -

Directors	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits-in- Kind (RM'000)	Other Emoluments (RM'000)
Company						
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	90	3	-	-	-	-
Loo Yong Hui	-	66	840	700	7.2	196.88
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	60	2.25	-	-	-	-
Loo Hooi Keat	600	2.25	-	-	17.4	134.31
Datuk Noripah Binti Kamso	70	0.75	-	-	-	-
Dato' Gopikrishnan A/L N.S. Menon	60	3	-	-	-	-
Rozainah Binti Awang	70	3	-	-	-	-
Total	950	80.25	840	700	24.6	331.19

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

8. Remuneration of Directors and Senior Management (Cont'd)

Directors	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits-in- Kind (RM'000)	Other Emoluments (RM'000)
Group						
Tan Sri Dato Sri Abi Musa Asa'ari	90	3	-	-	-	-
Bin Mohamed Nor						
Loo Yong Hui	48	66	840	700	36.45	196.88
Dato' Haji Md Yusoff @ Mohd Yusoff bin Jaafar	90	2.25	-	-	-	-
Loo Hooi Keat	600	2.25	-	-	34.8	134.31
Datuk Noripah Binti Kamso	70	0.75	-	-	-	-
Dato' Gopikrishnan A/L N.S. Menon	60	3	-	-	-	-
Rozainah Binti Awang	70	3	-	-	-	-
Total	1,028	80.25	840	700	71.25	331.19

Similar comparable elements, including individuals' responsibilities, skills, knowledge and contributions to the Group's performance, are also taken into consideration when deciding the remuneration packages of the Group's Senior Management.

The Board is of the opinion that disclosure of the Senior Management's remuneration components on a named basis may not be in the Company's best interest due to confidentiality and personal security concern, particularly in the highly competitive industry.

As an alternative, the Board has disclosed the Key Senior Management remuneration in bands of RM50,000 on an unnamed basis, tabled as below: -

Range of Remuneration	Number of Key Senior Management
RM300,001 to RM350,000	1
RM350,001 to RM400,000	2
RM450,001 to RM500,000	1
RM550,001 to RM600,000	1
RM600,001 to RM650,000	1
RM700,001 to RM750,000	1
RM1,400,001 to RM1,450,000	1
RM2,500,001 to RM2,550,000	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

9. Effective ARMC

The composition of ARMC is in line with Paragraph 15.09 and 15.10 of the MMLR and the recommendation of MCCG, whereby all ARMC members are Independent Non-Executive Directors, as follows: -

Designation	Director	Directorship
Chairperson	Rozainah Binti Awang	Independent Non-Executive Director
Member	Datuk Noripah Binti Kamso	Independent Non-Executive Director
Member	Dato' Gopikrishnan A/L N.S. Menon	Independent Non-Executive Director

On top of the strong element of independence upheld by the ARMC, the ARMC is chaired by Ms Rozainah Binti Awang, who is not the Chairman of the Board. This shall further enhance the objectivity in all relevant deliberations among ARMC so as to uphold the highest degree of financial integrity.

Ms Rozainah Binti Awang, the Chairperson of the ARMC, is a fellow member of the Chartered Institute of Management Accountants ("CIMA") and a member of the Malaysian Institute of Accountants ("MIA"). Although only one-third (1/3) of the ARMC has professional qualifications in finance, the other two (2) ARMC members are equally financially literate in view of their relevant experience in the banking industry. Such experience has supported our ARMC members to have a sufficient and appropriate understanding of the Group's business and matters under their purview, including financial reporting and auditing process.

During the FYE 2022, all members of ARMC have also undertaken continuous training and development as a way of keeping themselves abreast with the latest development and changes in accounting and auditing standards.

In order to strengthen the independence of the ARMC, MCCG recommends to observe a minimum three (3) years cooling-off period before any former key audit partner being appointed as a member of the ARMC. Such a clause is included in the Terms of Reference of the ARMC. Presently, none of the ARMC members is a former key audit partner of the external auditors, and the Board anticipates that none of the former key audit partners will be appointed to the ARMC in the near future.

Relationship with External Auditors

The ARMC meets with the External Auditors to discuss their audit plan, audit findings and the Company's financial statements. At least once a year and whenever necessary, the ARMC shall meet with the External Auditors without the presence of the Group CEO or management personnel to allow the ARMC and the External Auditors to exchange independent views on matters which need to be brought to the ARMC's attention.

The External Auditors attend the AGM of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the content of financial statements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

9. Effective ARMC (Cont'd)

The Board, through ARMC, has also adopted an External Auditors Assessment Policy, which assists the ARMC in assessing the suitability, objectivity and independence of External Auditors to safeguard the quality and reliability of the audited financial statements. The said policy covers the scope of selection and appointment, non-audit engagement, annual performance and independent evaluation of External Auditors. Particularly, the annual evaluation of the External Auditors for the FYE 2022 has taken the following considerations into account: -

- Quality of audit services;
- Adequacy of resources;
- Communication and interaction with Management and the Internal Auditors; and
- Independence, objectivity and professional scepticism.

The ARMC obtains confirmation from the External Auditors, indicating that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants and the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants throughout the audit engagement in respect of the financial year under review.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10. Proper Risk Management and Internal Control System

The Board is aware of the importance of proper risk management and internal control system in order to safeguard shareholders' investments and the Group's assets. In line with Practice 10 of MCCG, the Board has undertaken Internal Organisation for Standardisation ("ISO") 31000 as a guideline for the Group's Risk Management Framework, which reflects a comprehensive process to adequately identify and manage the risks which are related to the Group covering the communication and consultation with stakeholders, establish the context, identify, analyse and evaluate risks, manage the identified risks as well as monitoring and review.

Concurrently, we have in place a set of Standard Operating Procedures ("SOPs") and a proper organisational structure with clear reporting lines in the daily operations to ensure smooth proceedings in our business. Our internal controls have been accredited by the ISO for our quality, environmental management, occupational health and safety, and road traffic safety management systems.

The Board is assisted by the ARMC in monitoring the adequacy and effectiveness of the Group's risk management and internal control system. Further information is detailed in the Statement on Risk Management and Internal Control in this Annual Report.

11. Effective Internal Audit Function

The Group has outsourced its internal audit function to an independent professional firm, namely GRC Consulting Services Sdn. Bhd. ("GRCCS"). The internal audit function is considered an integral part of providing assurance on the adequacy and effectiveness of the risk, control and governance framework of the Group.

The outsourced internal audit team from GRCCS is led by their Director, Mr Affeiz Abdul Razak, who has more than 20 years of experience and exposure in internal audit, risk management, business continuity management and corporate governance advisory. Currently, he is also one of the Governors of The Institute of Internal Auditors Malaysia ("IIAM") Board as the Board's Vice President I. Previously, he was an Honorary Treasurer and Honorary Secretary of IIAM. He is also a Chartered Member of IIAM and a Certified Financial Services Auditor (US). He has Accreditation in Internal Audit Function Assessment Validation by the Institute of Internal Auditors (US), is an Associate Member of the Association of Certified Fraud Examiners (US), a Member of the Business Continuity Institute (UK), an Affiliate Member of the Institute of Risk Management (UK), Certified Business Continuity Institute (UK) Professional with Merit, Member of Institute of Corporate Directors Malaysia and Associate Member of Asian Institute of Chartered Bankers.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

11. Effective Internal Audit Function (Cont'd)

During FYE 2022, six (6) internal auditors were assigned to support the internal audit reviews of the Group. All internal audit reviews conducted are in compliance with the International Professional Practices Framework ("IPPF").

During FYE 2022, the internal auditors have reviewed the following operation areas: -

- Warehousing and depot services;
- Inland transportation services;
- Freight forwarding services; and
- Other services - spare parts, cross border operation and workshop.

All internal audit findings, together with relevant proposed corrective actions, were reported by the Internal Auditors to the Management and the ARMC during scheduled meetings. For the FYE 2022, the Board is of the opinion that the Group's internal control function is operating adequately, and there was no major weakness noted that might have a material impact on the Group's financial performance or operations that required separate disclosure in this Annual Report.

Further details of the Group's internal audit function are reported in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

12. Effective and Transparent Communication with Stakeholders

In line with the MCCG requirement, the Board is committed to maintain transparent, regular and effective communication with various stakeholders, which includes their employees, shareholders, potential investors and consumers, as to provide a better understanding of their opinion and expectation towards the Group's sustainable growth.

To ensure the Group's stakeholders are well informed, the information was disseminated and communicated through the following channels: -

- Company's website;
- Announcement made to Bursa Securities' website;
- Quarterly financial results and Annual Report;
- AGM;
- Interview; and
- Social media and other electronic channels.

The Company will continue to leverage on technology to broaden its channel of dissemination of information, to enhance the quality of engagement with shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

II. CONDUCT OF GENERAL MEETINGS

13. AGM

The AGM is our primary annual forum for communicating with shareholders, encouraging them to exercise their rights as a shareholder to speak up, provide suggestions or feedback, as well as cast a vote.

In line with our structured corporate governance practices, the Notice of the AGM is dispatched to the shareholders at least 28 days before the date of the AGM in order to provide sufficient time and opportunity to shareholders in reviewing the matters to be discussed during the meeting. The Notice of the Twenty-Second ("22nd") AGM was circulated to the shareholders on 28 April 2022. In addition, the notice was published in the national newspaper within the mandatory period as well as through announcement via Bursa Securities and the Company's website.

The 22nd AGM was conducted virtually, considering the ongoing Covid-19 health concerns. The virtual meeting was facilitated by the appointed poll administrator, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor"). They have supported and facilitated the said AGM and ensured that all shareholders' personal data and privacy were well protected and maintained by providing a good cyber hygiene practice. To this end, Tricor has implemented an Information Technology ("IT") Policy, Information Security Policy, endpoint controls, as well as data classification as their cyber hygiene control. In addition to this, the meeting platform provided, TIIH Online, is hosted via a secure cloud platform under a data centre certified by ISO 27001.

The Company will assess the necessity and viability of such a facility, taking into consideration the number of shareholders, the reliability of the technology and the cost-benefit to the Company.

All our Board members have shown their commitment by attending the AGM. The Board Chairman had chaired the said AGM and briefed the shareholders on their rights to ask questions and vote in the AGM. During the 22nd AGM, all shareholders had sufficient time to pose their questions on the meeting platform on a real-time basis. In order to support effective communication, all questions raised by shareholders were made visible to all meeting participants and have been properly addressed by the Board with meaningful responses.

Subsequent to the AGM, the Group has circulated the minutes of the 22nd AGM on the Company's website at www.swiftlogistics.com.my/shareholder-information/ within 30 business days from the date of the AGM.

KEY FOCUS AREAS AND FUTURE PRIORITIES

Moving forward, the Board and its respective Board Committees will continue to: -

- focus on major strategic issues to ensure sustainability and growth, including developing specific strategic plans and transactions and the Company's broader long-term direction;
- understand the risks associated with strategic decisions and operations and the processes Management has in place to identify, monitor and manage risk;
- monitor succession planning for the Board and the Key Senior Management to ensure a healthy pipeline of talent is emerging for future Board and Senior Management; and
- focus on the corporate culture, emphasising expectations that Management will foster within the Company, including the culture of ethical behaviour, fair dealing, respect for diversity, equity, inclusion as well as integrity.

STATEMENT ON COMPLIANCE

The Board is of the view that the Group has complied with the key Principles and Practices of MCCG and will continue to maintain the highest possible standard through continuous adoption of principles and best practices as indicated in MCCG as well as other applicable laws, where applicable and appropriate.

This CG Statement was approved by the Board on 13 April 2023.

AUDIT & RISK

Management Committee Report

The Board is pleased to present the ARMC Report for the FYE 2022 in compliance with Paragraph 15.15 of the MMLR of Bursa Malaysia Securities Berhad ("Bursa Securities").

ARMC was established to oversee the Company's financial management and reporting processes and review the work carried out by the External Auditor. It also served to assist the Board Committee in complying with specified accounting standards and required disclosures as administered by Bursa Securities, relevant accounting standards bodies, policies and any other laws and regulations as amended from time to time in performing their duties and discharging their responsibilities.

The Terms of Reference ("TOR") of ARMC can be viewed on the Company's website at www.swiftlogistics.com.my/policies/

MEMBERSHIP AND MEETINGS

In line with the requirements of Paragraph 15.09(1)(a) and (b) of the MMLR, the composition of the ARMC comprises of three (3) members of the Board, all of whom are Independent Non-Executive Directors, and there are no alternate Directors were appointed as a member of the ARMC.

The ARMC held five (5) meetings during the FYE 2022, and the meeting attendance was as follows: -

Name	Directorship	Meeting Attendance
Chairperson Rozainah Binti Awang	Independent Non-Executive Director	5/5
Member Dato' Gopikrishnan A/L N.S. Menon	Independent Non-Executive Director	5/5
Member Datuk Noripah Binti Kamso	Independent Non-Executive Director	4/5

The Group CEO, Group Chief Financial Officer ("Group CFO"), and the Management of the Group ("Management") were invited to the scheduled ARMC meetings to provide clarification on the Group's operation and areas of concern on the agenda. The External Auditors attended three (3) of the ARMC Meetings held during the FYE 2022. The External Auditors were responsible to raise with the ARMC any matters they considered important to bring the ARMC's attention.

Notice of ARMC meeting and meeting papers were distributed to the Committee before the Committee meeting to enable the Committee Members to peruse and provide their feedback or comments at the meeting.

All deliberations during the ARMC meeting were duly recorded by the Company Secretaries, which also in the presence of the meeting to facilitate the meeting process. Minutes of the ARMC meeting were to be tabled for confirmation at the next ARMC meeting and subsequently presented to the Board for notation.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF ARMC

In accordance with the TOR of ARMC, the ARMC has carried out the following activities during the financial year and up to the date of this report to discharge its functions and duties: -

1. Financial Reporting

- Reviewed and deliberated on the quarterly financial results and audited financial statements prior to submission to the Board for consideration and approval. Group CFO has assured that the quarterly financial results and annual audited financial statements are made in compliance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, Companies Act 2016 and MMLR; and
- Reviewed and assessed the adequacy of the processes and controls in place for effective and efficient financial reporting and that reasonable judgement and estimates had been made in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and Companies Act 2016.

2. External Audit

- Reviewed and assessed the performance, independence and objectivity of External Auditors, as well as the reasonableness of their audit fees and non-audit fees for FYE 2022;
- Deliberated and approved the Audit Planning Memorandum, which details the areas of audit approach, the scope of work, audit timeline and areas of audit emphasis to ensure the effectiveness of the audit strategy and quality of audit prior to the Board's approval;
- Deliberated on the Audit Review Memorandum with External Auditors in connection to the significant accounting and audit issues arising from the statutory audit of the Group and of the Company for the financial year under review;
- Reviewed and assessed the performance, suitability and independence of the External Auditors for the FYE 2022 before recommending their re-appointment for the Board's approval;
- Received updates from the External Auditors on changes to the relevant guidelines on the regulatory and statutory requirements; and
- Conducted a private session with External Auditors on 13 April 2022 without the presence of the Executive Board Members and Management of the Company to discuss on issues of compliance relating to the Anti-Bribery Corruption Policy, improvement in internal controls of the Group and financial reporting of the Group.

3. Internal Audit

- Reviewed the appointment of Internal Auditors and recommended for the Board's approval;
- Reviewed the Internal Audit Plan for the Year 2021-2022 presented by the Internal Auditors to ensure adequate scope and comprehensive coverage of the activities of the Group;
- Reviewed the internal audit reports, findings and relevant recommendations to ensure that appropriate actions were taken to improve the Group's internal control system; and
- Conducted an Internal Audit Assessment to review the adequacy of the scope, functions, competency, and resources of the Internal Auditors in carrying out the internal audit work of the Group.

4. Risk Management and Internal Control

- The Group has appointed an outsourced Internal Auditor for the Group's risk management and internal control functions. This shall ensure that the Group's risk management and internal control measures are adequate and sufficient in accordance with the expected industry standards and fully complies with the Bursa Securities listing requirements.

5. Anti-Bribery and Corruption ("ABC") Compliance Process Flow

- The ABC Process Flow was presented to ARMC for the ARMC's consideration. The ABC Process Flow act as a guideline to illustrate the process of the report starting from reporting channel, receiving, and processing the reports. It outlines the Company's commitment to uphold the implementation of the Company's ABC Policy.

6. Related Party Transactions ("RPT")

- Reviewed the RPT of the Group on a quarterly basis and ensured that all RPT was undertaken on an arm's length basis with proper disclosure, in line with the Bursa Securities' Listing Requirements.

7. Annual Report

- Reviewed the ARMC Report and Statement on Risk Management and Internal Control prior to submission for the Board's consideration and approval and inclusion in the Annual Report 2022.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF ARMC (CONT'D)

The Group's internal audit function is carried out by GRCCS, an outsourced independent professional service provider. The Internal Auditors report directly to the ARMC on the activities carried out based on the approved internal audit plans. The principal function of the Internal Auditors is to undertake a regular and systematic review of the internal control system within the Group so as to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes.

The Internal Auditors are accountable to provide independent and objective assurance, together with necessary recommendations to improve the Group's operational efficiency. As such, the Internal Auditors perform regular reviews of the Group's operations on a quarterly basis with a systematic risk-based approach in accordance with the approved internal audit plan.

The ARMC and Management will then take note of the findings and implement the relevant proposed recommendations within the stipulated timeframe. GRCCS also performs follow-up reviews to ensure that corrective measures are properly in place and subsequently reports the same to the ARMC.

In order to ensure an effective discharge of duties, the ARMC is authorised to have full and unrestricted access to all information and resources of the Group which are deemed necessary for the appropriate conduct of internal audit review.

INTERNAL AUDIT FUNCTION

The Internal Auditor's activities during FYE 2022 include performing four (4) cycles of internal audit for the Group in accordance with the Internal Audit Plan approved by ARMC. The objective of the internal audit cycles is to identify operational weaknesses and/or areas of improvement, along with the corresponding root-cause analysis and proposed recommendations.

The Internal Audit activities were to assess the adequacy and efficiency of the Group's internal controls of the approved coverage and scopes, as shown below:

- ▶ Cycle 1 (Year 2022) : Warehousing and Depot Services;
- ▶ Cycle 2 (Year 2022) : Inland Transportation Services;
- ▶ Cycle 3 (Year 2022) : Freight Forwarding Services; and
- ▶ Cycle 4 (Year 2022) : Other Services – Spare Parts, Cross Border Operation and Workshop.

From the audit observations, no issues were highlighted by the Internal Auditors that warrant immediate or heightened attention of the ARMC. Two (2) out of four (4) Internal Audit Reports were presented to ARMC in 2022, with the remaining two (2) Internal Audit Reports will be presented in 2023.

The Board is of the view that the Group's operation is operating adequately, and no significant weakness has been noted in the Group's internal control system that may arise in material impact and would require separate disclosure in this Annual Report.

The total cost incurred by the internal audit function of the Group for FYE 2022 amounted to RM95,000.

GRCCS has also performed two (2) cycles of ERM in the FYE 2022 as per the ARMC-approved ERM and Internal Audit Plan for FYE 2022, and both ERM Reports were presented to ARMC.

Swift's established risk management practice is guided by ISO 31000:2019 and the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Enterprise Risk Management Framework.

The key elements of this risk management process are as follows:

- i) Establish the risk contexts (Objectives, Risk Impact, Risk Appetite/ Parameters);
- ii) Risk identification, assessment, and evaluation, including detailed risk registers;
- iii) Risk Action Plans Establishment; and
- iv) ERM Risk Profile and Risk Registers.

Further details of the Group's risk management and internal control functions are outlined in the Statement on Risk Management and Internal Control set out in this Annual Report.

STATEMENT ON

Risk Management And Internal Control

1. Introduction

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Securities, a listed issuer must ensure that the Board includes in its annual report a statement about the state of its risk management and internal controls as a group. In addition, the Malaysian Code on Corporate Governance ("MCCG") also stipulates that the Board should maintain a sound system of internal controls, including a review of its effectiveness in safeguarding shareholders' investments and the Group's assets. This statement outlines the nature and state of the risk management and internal controls of Swift Group during the financial year.

This Statement does not cover associates and joint ventures where risk management and internal control are managed by the respective management teams.

2. Board Responsibility

The Board acknowledges its responsibility and re-affirms its commitment to the Group's systems of risk management and internal control and to reviewing its adequacy and effectiveness to ensure that the Group's assets and shareholders' interests are safeguarded.

The enterprise risk management and internal control system is designed to identify and manage the Group's risks in order to achieve its business objectives. The Board is aware that the enterprise risk management and internal control system can only provide reasonable and not absolute assurance against the risk of material loss or occurrences of unforeseeable circumstances. Accordingly, the purpose of the risk management and internal control system is to manage and minimise rather than eliminate the risk of failure to achieve the policies and objectives of the Company.

The Board has received reasonable assurance from the Group CEO and Group CFO that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review and up to the date of issuance of this statement. In addition, the Group's joint venture and associate companies have their own Board that provides oversight on their respective risk management and internal control systems.

The ARMC reports to the Board on a quarterly basis and, as part of its monitoring activity, ensures key risks are deliberated and mitigating actions are implemented.

3. Risk Management and Internal Control Framework

The Board acknowledges that the Group's business activities involve some degree of risk. Thus, key management staff and heads of departments are delegated with the responsibility to manage identified risks within defined parameters and standards.

The Board places strong dedication and commitment to the highest standards towards effective enterprise risk management in line with best practices in corporate governance guided by the MCCG. An Enterprise Risk Management ("ERM") approach aligns strategy, processes, people, technology and knowledge with the purpose of evaluating and managing potential risks to the Group that may be exposed. It enhances and encourages the identification of opportunities through continuous improvement and innovation.



ISO31000 Risk Management –
Practices and Guidelines



Committee of Sponsoring Organisations of the
Treadway Commission (COSO) ERM Framework

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

3. Risk Management and Internal Control Framework (Cont'd)

The Group established risk management practice is guided by ISO 31000 and the Committee of Sponsoring Organisations of the Treadway Commission's ("COSO") ERM Framework.

The key elements of this risk management process are as follows: -

- i. Establish the risk contexts (Objectives, Risk Impact, Risk Appetite/ Parameters);
- ii. Risk identification, assessment, and evaluation, including detailed risk registers;
- iii. Risk Action Plans Establishment; and
- iv. ERM Risk Profile and Risk Registers.

During the FYE 2022, the adequacy and effectiveness of the risk management and system of internal controls were reviewed by the ARMC.

GRC Consulting Services Sdn Bhd ("GRCCS") was appointed by the ARMC in Quarter 4 2021 as an outsourced ERM and Internal Audit service provider for the Group. It has carried out two (2) cycles of ERM and four (4) cycles of internal audit fieldwork in the FYE 2022, as per the ERM and Internal Audit Plan for the Year 2021/2022 approved by the ARMC. Two (2) ERM Reports and two (2) Internal Audit Reports were presented to ARMC in FYE 2022, with the remaining two (2) Internal Audit Reports will be presented in the financial year ending 31 December 2023.

The ERM Cycle 1 (Year 2022) was focused on ERM Risk Profile Update, and ERM Cycle 2 (Year 2022) was on ERM Risk Action Plans for SWIFT Group accordingly.

The Internal Audit coverage was on the following areas: -

- ▶ Cycle 1 (Year 2022) : Warehousing and Depot Services;
- ▶ Cycle 2 (Year 2022) : Inland Transportation Services;
- ▶ Cycle 3 (Year 2022) : Freight Forwarding Services; and
- ▶ Cycle 4 (Year 2022) : Other Services – Spare Parts, Cross Border Operation and Workshop.

4. Internal Audit Function

Pursuant to Paragraph 15.27(1) of MMLR, the Board has outsourced the Group's internal audit function to an independent professional service provider, GRCCS. The Internal Auditors assist the Board and ARMC in providing a professional and independent assessment of the overall adequacy, efficiency and effectiveness of the Group's internal control system.

The Internal Auditor's activities during FYE 2022 include performing four (4) cycles of internal audit for the Group in accordance with the Internal Audit Plan approved by ARMC. The activities were to assess the adequacy and efficiency of the Group's internal controls of the approved scopes covering Warehousing and Depot Services, Inland Transportation, Freight Forwarding and Other Services - Spare Parts, Cross Border Operation and Workshop.

During FYE 2022, six (6) internal auditors were assigned to perform the internal audit reviews of the Group, including two (2) managers, two (2) seniors, and two (2) juniors. All internal audit findings, together with the relevant root cause and proposed corrective actions, were presented to the ARMC during the scheduled meetings. The Management had then acknowledged and rectified the identified weaknesses according to the recommendations and stipulated timeframe proposed by the Internal Auditor. The Internal Auditor had subsequently conducted a follow-up review of the previously identified findings to ensure that corrective plans had been appropriately implemented.

The professional fee for the internal audit function for the FYE 2022 amounted to RM95,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. Other Key Elements of Internal Control

The process of governing the effectiveness and integrity of the internal control systems is carried throughout the various areas as follows: -

(a) Management Structure

The Group maintains a formal management organisation structure with clear lines of accountability and responsibility. The daily running of the businesses is entrusted to the Group CEO and the Management teams.

The heads of each operating department of the Group are empowered with the responsibility of managing their respective operations within their respective limits of authority.

(b) Strategic Business Plan and Annual Budget

The Board constructively contributes to the development of the Group's strategic directions and annually reviews the Group's strategic business plan.

The Board probes Management to ensure Management has taken into consideration the varying opportunities and risks whilst developing the strategic business plan. The Group's annual strategic business plan and budget are reviewed, deliberated, and approved by the Board.

The expectations of the Board are clearly discussed with and understood by the Management. The Board is also responsible for monitoring the implementation of the strategic business plan and for assessing the actual performance of the Group against the annual strategic business plan and budget, as well as to provide guidance to Management.

(c) Reporting and Review

Periodic operational and financial reports are prepared and presented to the Board for discussion and review based on the established reporting hierarchy within the Group.

Meetings are held at operational and management levels to identify operational issues and discuss and review the business plans, budgets, and financial and operational performances of the Group.

(d) Sustainability Committee

Prior to being listed on Bursa Securities in Quarter 4 of 2021, the Swift Group already established the Health, Safety, Environment and Quality ("HSEQ") Committee to carry out its responsibilities in relation to health, safety, environment and quality for the Group. In FYE 2022, the HSEQ Steering Committee was converted into the Sustainability Steering Committee with an enhanced role. The Sustainability Committee, with a 3-tier structure which is the Board of Directors, the Sustainability Steering Committee and the Sustainability Working Committee, now focuses on environmental, social and governance-related matters. It is responsible for setting the overall direction on Health, Safety, Social, and Environment that includes objectives, strategies, action plans, goals and resources; to continuously meet legal compliance, client expectations, standards alignment and industry best practices.

All Group employees are required to work safely, cooperate and act responsibly to prevent injury to himself/ herself, others and the environment.

(e) Internal Policies and Procedures

Policy and procedures, handbook, guidelines and authority limits have been established to guide personnel on day-to-day operational activities.

(f) Whistleblowing Policy

A Whistleblowing Policy is established to protect the values of transparency, integrity, impartiality and accountability in where the Group conducts its businesses and affairs.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. Other Key Elements of Internal Control (Cont'd)

The process of governing the effectiveness and integrity of the internal control systems is carried throughout the various areas as follows (Cont'd): -

(g) Related Party Transactions

Related party transactions (if any) are disclosed, reviewed, and monitored by the ARMC and presented to the Board on a periodical basis.

(h) Business Continuity Plan ("BCP")

The Group's BCP outlines the business continuity and recovery activities in the event of major disruptions, such as fire, flood, technological or health crises. It describes employees' roles and responsibilities as well as actions that must be carried out to mitigate the risk of business loss from such catastrophes and to ensure business continuity with minimal disruption. The BCP supports the Group's Emergency Response Plan and has been communicated to all relevant individuals.

(i) Succession Planning Policy

The Succession Planning Policy outlines the processes to identify suitable candidates to fill critical positions so as to safeguard the Group's leadership stability and ensure uninterrupted business in the event of the loss of key personnel.

(j) Limits of Authority Manual ("LOA")

The Group's LOA outlines a sound framework of authority and accountability that includes the establishment of clear guidelines and procedures for executing decisions. In addition, it puts in place a proper execution of instruments of empowerment and delegation.

6. Conclusion

Based on the various procedures and controls put in place by the Group, the Board has reviewed and is satisfied that the risk management and internal control system put in place for the year under review is adequate and effective.

The Board acknowledges that the system of risk management and internal control does not eliminate the possibility of collusion or deliberate circumvention of procedures by employees, human errors and/or other unforeseen circumstances that result in poor judgement.

The Board recognises the necessity to continuously improve the Group's system of internal control and risk management practices to safeguard shareholders' investments and the Group's assets.

Therefore, the Board will continuously evolve the Group's system of internal control to meet the changing and challenging business environment and put in place appropriate action plans to enhance the system of internal control further, if necessary.

7. Review of the Statement by the External Auditors

As required by paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysian Institute of Accountants.

Based on the procedures performed and evidence obtained, the External Auditors have reported to the Board that nothing has come to their attention to cause them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines to be set out, nor is the statement factually inaccurate.

This Statement on Risk Management and Internal Control was approved by the Board on 13 April 2023.

ADDITIONAL

Compliance Information

1. UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT

In conjunction with its listing on the Main Market of Bursa Malaysia Securities Berhad, Swift Haulage Berhad issued its prospectus on 30 November 2021 and undertook a public issue of 157,142,900 new ordinary shares at an issue price of RM1.03 per ordinary share.

The entire enlarged issued and paid-up capital of the Group, comprising 889,804,502 ordinary shares, was listed on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2021.

As at 31 December 2022, the gross proceeds from the public issue amounting to approximately RM161.86 million were utilised from the date of listing in the following manner: -

	Details of Utilisation	Proposed Utilisation	Actual Utilisation	Balance Utilisation	Expected Time frame for Utilisation
		RM'000	RM'000	RM'000	
i.	Capital expenditure				
	Construction of a new warehouse	28,565	28,565	-	Within 18 months
	Purchase of land	41,560	41,560	-	Within 18 months
	Purchase of prime movers	12,000	12,000	-	Within 18 months
ii.	Repayment of bank borrowings	69,732	69,732	-	Within 6 months
iii.	Estimated listing expenses	10,000	10,000	-	Within 3 months
Total		161,857	161,857	-	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 30 November 2021.

2. AUDIT AND NON-AUDIT FEES PAID/ PAYABLE TO EXTERNAL AUDITORS

For the financial year ended 31 December 2022 ("FYE 2022"), the amount of audit and non-audit fees paid/payable to the External Auditors, namely BDO PLT, by our Company and Group, respectively, were as follows: -

	The Company	The Group
	RM'000	RM'000
Audit Fees	144	533
Non-Audit Fees	5	5
	149	538

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group and its subsidiaries involving the interests of the Directors and/or major shareholders, either still subsisting at the end of the FYE 2022 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTION ("RRPT")

During FYE 2022, there was no RRPT entered, which requires a shareholders' mandate.

STATEMENT OF DIRECTORS' RESPONSIBILITY

For Preparation of The Financial Statements

Pursuant to the Companies Act 2016 ("Act") and Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors are required to prepare the financial statements for each financial year and ensure that the financial statements of the Group and the Company have been drawn up in accordance with the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Act in Malaysia.

The Directors are responsible for the preparation of financial statements prepared for each financial year and ensure that the financial statements give an accurate and fair view of the state of affairs of the Group and the Company as of 31 December 2022, as well as of the financial performance and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2022, the Board is satisfied that the Directors have:

- adopted the appropriate accounting policies and applied them consistently and prudently;
- ensured compliance with applicable accounting standards, including MFRS, IFRS and requirements of the Act, subject to any material departure being explained in the financial statements;
- made judgements and estimates which are reasonable and prudent, and prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records that disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps and are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

FINANCIAL *Statements*

86	Directors' Report
93	Statement by Directors
93	Statutory Declaration
94	Independent Auditors' Report To The Members of Swift Haulage Berhad
98	Statements of Financial Position
100	Statements of Profit or Loss and Other Comprehensive Income
101	Statements of Changes in Equity
104	Statements of Cash Flows
109	Notes to the Financial Statements

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services. The principal activities of the subsidiaries, associates and a joint venture are mainly container haulage, land transportation, warehousing, freight forwarding agency services, investment holding and integrated logistics services. Other details of the subsidiaries, associates and a joint venture are disclosed in Notes 8, 9 and 10 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	49,218	23,899
Profit for the financial year attributable to:		
Owners of the parent	48,492	23,899
Non-controlling interests	726	-
	49,218	23,899

DIVIDEND

Dividend paid, declared or proposed since the end of the previous financial year was as follows:

On 24 February 2022, the Company declared a first interim single tier dividend of RM0.0180 per ordinary share amounted to RM16,016,481 in respect of the financial year ended 31 December 2021, which was paid on 24 March 2022.

On 17 August 2022, the Company declared the first interim single tier dividend of RM0.01 per ordinary share amounted to RM8,854,900 in respect of financial year ended 31 December 2022, which was paid on 21 October 2022.

On 27 February 2023, the Company declared the second interim single tier dividend of RM0.01 per ordinary share amounted to RM8,812,886 in respect of financial year ended 31 December 2022, which was paid on 6 April 2023. This dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2023.

The Directors do not recommend the payment of any other dividend in respect of the current financial year.

DIRECTORS' REPORT

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

REPURCHASE OF SHARES

At the 22nd Annual General Meeting held on 13 April 2022, shareholders of the Company approved the proposed renewal of shareholders' mandate for the Company to repurchase up to ten per centum (10%) of its own ordinary shares.

During the financial year, the Company repurchased 6,710,900 of its issued ordinary shares from the open market of Bursa Malaysia Securities at an average price of RM0.49 per share.

As at 31 December 2022, 6,710,900 treasury shares at a total cost of RM3,242,913 are held by the Company. The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 and the Main Market Listing Requirements and applicable guideline of Bursa Malaysia Securities.

The number of ordinary shares (net of treasury shares) as at 31 December 2022 is 883,093,602 (2021: 889,804,502).

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Swift Haulage Berhad

Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar
Loo Hooi Keat
Loo Yong Hui
Dato' Gopikrishnan A/L N.S. Menon
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor
Rozainah Binti Awang
Datuk Noripah Binti Kamso

DIRECTORS' REPORT

DIRECTORS (continued)

The Directors who have held office during the financial year and up to the date of this report are as follows: (continued)

Subsidiaries of Swift Haulage Berhad

Pursuant to Section 253 of the Companies Act 2016, the Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report are as follows:

Muhammad Roy Nunis bin Abdullah	
Syed Yazid bin Syed Omar	
Lim Bee Hong	
Ng Chee Kin	
Zulkifli Bin Sarkam	
Ong Chong Eng	
Dato Hew Han Seng	
Kee Chung Ching	
Neoh Lay Cheng	
Kong Mee Kun	
Abdul Razak Bin Samad	
Srisant Chitvaranund	
Kavee Phunratanamala	
Ang Han Sin	(Resigned on 15 June 2022)
Suwat Sukalapvanit	(Resigned on 15 November 2022)
Ahmad Syahir bin Safihi	(Resigned on 3 January 2023)
Lo Leong Hay	(Resigned on 6 April 2023)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and redeemable convertible preference shares of the Company and of its related corporations (other than wholly-owned subsidiaries) during the financial year ended 31 December 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	----- Number of ordinary shares -----		
	Balance as at 1.1.2022	Bought	Balance as at 31.12.2022
Shares in the Company			
<u>Direct interests:</u>			
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	500,000	-	500,000
Datuk Noripah Binti Kamso	500,000	65,000	565,000
Dato' Gopikrishnan A/L N.S. Menon	500,000	150,000	650,000
Rozainah Binti Awang	100,000	-	100,000
Loo Yong Hui	-	50,000	50,000

DIRECTORS' REPORT

DIRECTORS' INTERESTS (continued)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and redeemable convertible preference shares of the Company and of its related corporations (other than wholly-owned subsidiaries) during the financial year ended 31 December 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (continued)

	----- Number of ordinary shares -----		
	Balance as at 1.1.2022	Bought	Balance as at 31.12.2022
Shares in the Company (continued)			
<u>Indirect interests:</u>			
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar ⁽¹⁾	319,208,502	18,712,600	337,921,102
Loo Yong Hui (1)	319,208,502	18,712,600	337,921,102
Loo Hooi Keat (2)	319,208,502	18,712,600	337,921,102

Shares in the subsidiary, Container Connections (M) Sdn. Bhd.

<u>Indirect interests:</u>			
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	1,445,000	-	1,445,000
Loo Yong Hui	1,445,000	-	1,445,000

Shares in the subsidiary, Swift Crossland Logistics Co., Ltd

<u>Indirect interests:</u>			
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	4,477,046	-	4,477,046
Loo Yong Hui	4,477,046	-	4,477,046

- (1) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of his substantial shareholdings in Persada Bina Sdn. Bhd..
- (2) Deemed interested pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his son, Loo Yong Hui's substantial shareholdings in Persada Bina Sdn. Bhd..

By virtue of their interests in the ordinary shares of the Company, Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Loo Yong Hui and Loo Hooi Keat are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

The other Directors holding office at the end of the financial year did not hold any beneficial interest in the ordinary shares of the Company or ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Directors is a member, or with a company in which the Director has a substantial financial interest other than the following:

- (i) Certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- (ii) Certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

Details of Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows :

	Group 2022 RM'000	Company 2022 RM'000
Directors of the Company:		
Fees	1,028	950
Short-term employee benefits	1,620	1,620
Defined contribution plan	304	304
Social security contribution	1	1
Other employee benefits	26	26
	2,979	2,901
Directors of subsidiaries:		
Fees	140	-
Short-term employee benefits	5,021	-
Defined contribution plan	624	-
Social security contribution	6	-
Other employee benefits	39	-
	5,830	-
	8,809	2,901

The estimated monetary value of benefits-in-kind received by the Directors other than in cash from the Group and the Company amounted to RM71,000 and RM25,000 (2021: RM93,000 and RM46,000) respectively.

INDEMNITY AND INSURANCE FOR OFFICERS, DIRECTORS AND AUDITORS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Group and the Company for the financial year ended 31 December 2022 was RM15,953.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 16 August 2022, the Group entered into a SPA with a third party for the sale of buildings and leasehold land held under Lot 21687, Jalan Pelabuhan Klang Utara, Kawasan Perindustrian Selat Klang Utara, 42000 Pelabuhan Klang for a total sale consideration of RM36,355,875. The transaction has not been completed as at the end of the financial year.
- (b) On 29 August 2022, the Company entered into a SPA with a third party for the sale of and leasehold land held under HSD 116379 for PT198, Bandar Sultan Sulaiman, Daerah Klang, Selangor for a total sale consideration of RM9,827,572. The transaction has not been completed as at the end of the financial year.

DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

- (c) On 30 November 2022, the Group acquired 100% equity interest comprising 500,000 ordinary shares in Watt Wah Petroleum Haulage Pte Ltd ("WWPH") for a purchase consideration of RM5,300,820. Other details of the acquisition are disclosed in Note 38 to the financial statements.
- (d) On 30 January 2023, the Company has proposed to acquire the remaining 40% stake in Swift Autologistics Sdn. Bhd. (f.k.a BLG Swift Logistics Sdn. Bhd.) from BLG Industrielogistik GmbH & Co. KG to expand its logistics business for a total consideration of RM2,700,000. The transaction has been completed on 6 March 2023.
- (e) On 24 March 2023, the Company has proposed to acquire another 17.5% stake in Global Vision Logistics Sdn. Bhd. from Aspen Vision Properties Sdn. Bhd. to expand its logistics business for a total consideration of RM19,163,000. The transaction has not been completed as at the date of this report.
- (f) On 3 April 2023, the Company announced that Swift Logistics Yard Sdn. Bhd. (f.k.a Ann Joo Properties Sdn. Bhd.), a wholly-owned subsidiary of the Company ("Plaintiff") has taken legal proceedings against Govindasamy Naidu a/l Gopal ("First Defendant") and North West Depoh Sdn. Bhd. ("Second Defendant").

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group RM'000	Company RM'000
Statutory audit	533	144
Non-statutory audit	5	5
	538	149

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....
Loo Yong Hui

Director

Kuala Lumpur
13 April 2023

.....
**Dato' Haji Md Yusoff @ Mohd Yusoff
Bin Jaafar**
Director

On behalf of the Board,

Dato' Haji Md Yusoff @ Mohd Yusoff
Bin Jaafar
Director

STATUTORY DECLARATION

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
13 April 2023)

Kee Chung Ching

Mardhiyyah Abdul Wahab (No. W729)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

— TO THE MEMBERS OF SWIFT HAULAGE BERHAD —

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swift Haulage Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 98 to 193.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters of the Group

1. *Impairment assessment of the carrying amount of goodwill on consolidation*

The carrying amount of goodwill on consolidation as at 31 December 2022 amounted to RM69,291,000 as disclosed in Note 11 to the financial statements.

We determined the annual assessment of impairment of goodwill to be a key audit matters because of the significance of the assets to the Group's consolidated financial position and it requires significant management judgements and assumptions in determining the value-in-use of the Cash-Generating Units ("CGU") based on probability weighted approach to determine the expected cash flows. These judgements and key assumptions include projected growth in future revenues, profit margins, pre-tax discount rates and terminal value.

Audit response

Our audit procedures included the following:

- a. Compared cash flow projections against recent performance and historical accuracy of budget/forecasts and assessed assumptions used in projections to available sources of data, where applicable;
- b. Evaluated the reasonableness of projected growth in future revenues, profit margins and terminal values by assessing evidence available to support these assumptions;
- c. Evaluated the reasonableness of pre-tax discount rates used by management by comparing to market data as well as weighted average cost of capital of the Group and relevant risk factors; and
- d. Assessed and evaluated sensitivity analysis on the cash flow projections to evaluate the impact on the impairment assessment.

INDEPENDENT AUDITORS' REPORT

— TO THE MEMBERS OF SWIFT HAULAGE BERHAD —

Key Audit Matters (continued)

Key Audit Matters of the Group (continued)

2. *Impairment assessment of carrying amount of investment in a joint venture*

The carrying amount of investment in a joint venture as at 31 December 2022 amounted to RM11,332,000 as disclosed in Note 10 to the financial statements.

We determined this to be a key audit matter because it requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the joint venture in determining the recoverable amount. These key assumptions include projected growth in future revenues and profit margins, as well as determining appropriate pre-tax discount rate.

Audit response

Our audit procedures included the following:

- a. Evaluated the reasonableness of the key assumptions applied by management in the projections by assessing historical performance and corroborated to other available audit evidence and findings; and
- b. Performed sensitivity analysis to stress test the key assumptions used by the management in the impairment assessment.

Key Audit Matter of the Company

Impairment assessment of carrying amounts of investments in subsidiaries

The carrying amounts of investments in subsidiaries as at 31 December 2022 amounted to RM458,333,000 as disclosed in Note 8 to the financial statements.

We determined this to be a key audit matter because it requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the affected subsidiaries in determining the recoverable amounts which were based on value-in-use calculations. These key assumptions include projected growth in future revenues and profit margins, as well as determining appropriate pre-tax discount rate.

Audit response

Our audit procedures included the following:

- a. Compared cash flow projections against recent performance and historical accuracy of budgets/forecasts and assessed assumptions used in projections to available sources of data where applicable;
- b. Evaluated the reasonableness of projected growth in future revenues and profit margins by assessing evidence available to support these assumptions;
- c. Evaluated the reasonableness of pre-tax discount rates used by management by comparing to market data as well as weighted average cost of capital of the Company and relevant risk factors; and
- d. Assessed and evaluated sensitivity analysis on the cash flow projections to evaluate the impact on the impairment assessment.

INDEPENDENT AUDITORS' REPORT

— TO THE MEMBERS OF SWIFT HAULAGE BERHAD —

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

— TO THE MEMBERS OF SWIFT HAULAGE BERHAD —

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
13 April 2023

Ng Soe Kei
02982/08/2023 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	615,360	471,606	302,226	187,261
Investment properties	5	77,761	78,719	1,633	1,667
Right-of-use assets	6	361,990	436,764	120,776	145,190
Other investments	7	1,125	1,341	-	-
Investments in subsidiaries	8	-	-	458,333	461,624
Investments in associates	9	30,000	24,450	30,958	24,485
Investment in a joint venture	10	11,332	10,954	-	-
Goodwill on consolidation	11	69,291	68,813	-	-
Intangible assets	12	827	576	827	576
Trade and other receivables	14	-	-	86,333	62,626
Deferred tax assets	21	7,772	10,033	7,455	9,343
		1,175,458	1,103,256	1,008,541	892,772
Current assets					
Inventories	13	10,299	15,808	2,611	2,540
Trade and other receivables	14	214,040	248,210	104,667	137,335
Current tax assets		8,083	8,010	143	106
Derivative financial asset	15	2,915	1,284	-	-
Short term funds	16	50,202	-	50,202	-
Cash and bank balances	17	51,188	64,731	21,733	49,275
		336,727	338,043	179,356	189,256
Non-current assets held for sale	18	43,716	17,194	7,920	-
TOTAL ASSETS		1,555,901	1,458,493	1,195,817	1,082,028
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	22	384,714	384,714	384,714	384,714
Treasury shares	22(i)	(3,242)	-	(3,242)	-
Retained earnings		273,660	250,039	107,090	108,062
Exchange translation reserve	23	88	106	-	-
		655,220	634,859	488,562	492,776
Non-controlling interests	8(c)	1,140	414	-	-
TOTAL EQUITY		656,360	635,273	488,562	492,776

STATEMENTS OF FINANCIAL POSITION
— AS AT 31 DECEMBER 2022 —

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES (continued)					
LIABILITIES					
Non-current liabilities					
Borrowings	19	445,350	396,771	413,607	352,066
Lease liabilities	6	56,345	56,589	25,263	10,292
Deferred tax liabilities	21	54,406	55,446	-	-
Other payables	20	-	-	80,395	73,881
		556,101	508,806	519,265	436,239
Current liabilities					
Trade and other payables	20	116,367	102,059	94,500	68,195
Borrowings	19	202,192	178,976	91,264	72,841
Lease liabilities	6	21,140	32,090	2,226	11,977
Current tax liabilities		3,741	1,289	-	-
		343,440	314,414	187,990	153,013
TOTAL LIABILITIES		899,541	823,220	707,255	589,252
TOTAL EQUITY AND LIABILITIES		1,555,901	1,458,493	1,195,817	1,082,028

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	25	643,768	588,332	249,501	209,092
Cost of sales and services		(446,330)	(401,012)	(212,290)	(174,807)
Gross profit		197,438	187,320	37,211	34,285
Other income		8,449	19,319	47,408	52,835
Net gain/(loss) on impairment of financial assets		645	(4,584)	1,857	6,654
Administrative and operating expenses		(116,827)	(117,229)	(44,174)	(48,623)
Finance costs	26	(26,883)	(26,778)	(16,485)	(13,655)
		62,822	58,048	25,817	31,496
Share of losses of associates	9(c)	(923)	(1,371)	-	-
Share of profit of a joint venture	10(c)	378	404	-	-
Profit before taxation	27	62,277	57,081	25,817	31,496
Taxation	29	(13,059)	(8,910)	(1,918)	7,394
Profit for the financial year		49,218	48,171	23,899	38,890
Other comprehensive income:					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations, net of tax		(18)	671	-	-
Total comprehensive income for the financial year		49,200	48,842	23,899	38,890
Profit attributable to:					
Owners of the parent		48,492	47,119	23,899	38,890
Non-controlling interests	8(c)	726	1,052	-	-
		49,218	48,171	23,899	38,890
Total comprehensive income attributable to:					
Owners of the parent		48,474	47,790	23,899	38,890
Non-controlling interests	8(c)	726	1,052	-	-
		49,200	48,842	23,899	38,890
Earnings per share attributable to owners of the parent (sen)					
Basic	30(a)	5.47	7.43		
Diluted	30(b)	5.47	7.43		

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The accompanying notes form an integral part of the financial statements.

Group	Note	Ordinary share capital RM'000	Convertible redeemable loan stock RM'000	Preference shares RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2021		102,785	106,863	18,395	(565)	202,920	430,398	(349)	430,049
Profit for the financial year		-	-	-	-	47,119	47,119	1,052	48,171
Other comprehensive income, net of tax		-	-	-	671	-	671	-	671
Total comprehensive income		-	-	-	671	47,119	47,790	1,052	48,842
Transactions with owners									
Issuance of shares	22	161,857	-	-	-	-	161,857	-	161,857
Conversion of shares	22, 24	125,257	(106,863)	(18,394)	-	-	-	-	-
Redemption of shares	22	-	-	(1)	-	-	(1)	-	(1)
Share issuance expenses	22	(5,185)	-	-	-	-	(5,185)	-	(5,185)
Dividend paid to non-controlling interests of a subsidiary	8(d)	-	-	-	-	-	-	(289)	(289)
Total transactions with owners		281,929	(106,863)	(18,395)	-	-	156,671	(289)	156,382
Balance as at 31 December 2021		384,714	-	-	106	250,039	634,859	414	635,273

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Note	Ordinary share capital RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2022		384,714	106	-	250,039	634,859	414	635,273
Profit for the financial year		-	-	-	48,492	48,492	726	49,218
Other comprehensive income, net of tax		-	(18)	-	-	(18)	-	(18)
Total comprehensive income		-	(18)	-	48,492	48,474	726	49,200
Transactions with owners								
Repurchase of treasury shares	22	-	-	(3,242)	-	(3,242)	-	(3,242)
Dividend paid		-	-	-	(24,871)	(24,871)	-	(24,871)
Total transactions with owners		-	-	(3,242)	(24,871)	(28,113)	-	(28,113)
Balance as at 31 December 2022		384,714	88	(3,242)	273,660	655,220	1,140	656,360

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Company	Note	Distributable					
		Ordinary share capital RM'000	Convertible redeemable loan stock RM'000	Preference shares RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2021		102,785	106,863	18,395	-	69,172	297,215
Profit for the financial year		-	-	-	-	38,890	38,890
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	38,890	38,890
Transactions with owners							
Issuance of shares	22	161,857	-	-	-	-	161,857
Conversion of shares	22, 24	125,257	(106,863)	(18,394)	-	-	-
Redemption of shares	22	-	-	(1)	-	-	(1)
Share issuance expenses	22	(5,185)	-	-	-	-	(5,185)
Total transactions with owners		281,929	(106,863)	(18,395)	-	-	156,671
Balance as at 31 December 2021		384,714	-	-	-	108,062	492,776
Balance as at 1 January 2022		384,714	-	-	-	108,062	492,776
Profit for the financial year		-	-	-	-	23,899	23,899
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	-	-	23,899	23,899
Transactions with owners							
Repurchase of treasury shares	22	-	-	-	(3,242)	-	(3,242)
Dividend paid		-	-	-	-	(24,871)	(24,871)
Total transactions with owners		-	-	-	(3,242)	(24,871)	(28,113)
Balance as at 31 December 2022		384,714	-	-	(3,242)	107,090	488,562

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		62,277	57,081	25,817	31,496
Adjustments for:					
Unwinding of interest for amounts owing by subsidiaries	27	-	-	6,621	4,201
Accretion of discount for amount owing to a subsidiary	27	-	-	(5,235)	(11,338)
Bad debts written off:					
- trade receivables		142	95	1	2
- other receivables		-	5	-	5
Depreciation of:					
- property, plant and equipment	4	39,025	31,134	21,390	16,436
- right-of-use assets	6	20,972	24,842	6,381	7,756
- investment properties	5	958	1,498	34	26
Dividend income from:					
- subsidiaries		-	-	(35,000)	(30,461)
- other investment		(45)	(21)	-	-
Fair value (gain)/loss on:					
- derivative	15(c)	(1,631)	(2,018)	-	-
- short term funds		(243)	1	(243)	-
- other investments		285	330	-	-
Net (gain)/loss on disposal of:					
- property, plant and equipment		(1,700)	(3,775)	(719)	(715)
- non-current assets held for sale		(680)	(2,414)	-	-
- other investments		(69)	(377)	-	-
Income distribution from short term funds		(19)	(18)	(19)	-
Interest expense	26	26,883	26,778	16,485	13,655
Interest income		(544)	(361)	(1,820)	(1,462)
Impairment losses on:					
- amounts owing by subsidiaries	14(i)	-	-	652	1,561
- amount owing by a related party	14(i)	-	63	-	63
- other receivables	14(i)	16	105	-	-
- trade receivables	14(g)	6,802	8,306	342	87
- investments in subsidiaries	8	-	-	8,592	13,549
- investment in an associate	9	-	190	-	190

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Adjustments for: (continued)					
Reversal of impairment losses on:					
- amounts owing by subsidiaries	14(i)	-	-	(2,513)	(7,426)
- amounts owing by associates	14(i)	(1,448)	(487)	-	(272)
- other receivables	14(i)	(280)	(304)	(157)	(139)
- trade receivables	14(g)	(5,735)	(3,099)	(181)	(528)
Share of losses of associates	9(c)	923	1,371	-	-
Share of profit of a joint venture	10(c)	(378)	(404)	-	-
Property, plant and equipment written off	4	147	95	-	-
Net unrealised loss on foreign exchange		842	876	-	1,030
Operating profit before changes in working capital					
		146,500	139,492	40,428	37,716
Changes in working capital:					
Inventories		5,583	(4,849)	(69)	310
Trade and other receivables		40,183	(79,632)	(3,674)	(1,302)
Trade and other payables		(15,691)	(14,527)	1,089	(5,967)
Cash generated from operations					
		176,575	40,484	37,774	30,757
Tax paid		(13,910)	(16,889)	(100)	(106)
Tax refunded		1,204	48	33	-
Net cash from operating activities					
		163,869	23,643	37,707	30,651

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of subsidiaries, net of cash acquired	38	(1,281)	(9,962)	(5,301)	(10,000)
Acquisition of other investments		-	(3,141)	-	-
Investment in a joint venture	10(a)	-	(10,550)	-	-
Repayments to related parties		(21)	(57)	16	(9)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Note	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES (continued)				
Advances/(Repayments to) subsidiaries	-	-	72,648	(88,864)
Advances to associate	(5,727)	(1,711)	(5,951)	(1,926)
Interest received	544	361	1,820	1,462
Proceeds from:				
- disposal of property, plant and equipment	2,767	5,063	864	787
- disposal of other investments	390	2,156	-	-
- disposal of non-current assets held for sale	17,874	12,414	-	-
Dividend received from:				
- subsidiaries	-	-	-	461
- other investments	45	21	-	-
Purchase of:				
- property, plant and equipment	4(c) (60,621)	(19,538)	(50,651)	(11,000)
- right-of-use assets	6(c) (340)	(6,072)	(340)	(7,961)
- intangible asset	12 (251)	(576)	(251)	(576)
- investment property	5(c) -	(60,415)	-	-
(Placement)/Withdrawal of short-term fund	(49,940)	2,027	(49,940)	-
Withdrawal of deposits with restricted cash	572	988	707	1,034
(Placement)/Withdrawal of deposits with licensed banks	(53)	1,997	-	-
Net cash used in investing activities	(96,042)	(86,995)	(36,379)	(116,592)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid to non-controlling interest of a subsidiary	8(d)	-	(289)	-	-
Net drawdown of revolving credits		4,214	17,334	2,000	13,000
Net (repayment) /drawdown of trade financing		(31,818)	75,693	(7,716)	(1,343)
Interest paid		(25,458)	(25,929)	(15,394)	(13,359)
Dividend paid		(24,871)	-	(24,871)	-
Redemption of redeemable preference shares	22(d)	-	(1)	-	(1)
Payments of lease liabilities		(39,884)	(65,147)	(19,119)	(22,645)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES (continued)					
Drawdown of term loans		58,358	62,767	45,501	15,130
Repayment of term loans		(82,557)	(171,852)	(64,271)	(77,304)
Drawdown of unrated Islamic medium term notes		90,000	60,000	90,000	60,000
Repayment of unrated Islamic medium term notes		(39,300)	(3,000)	(39,300)	(3,000)
Shares buyback	22(i)	(3,242)	-	(3,242)	-
Proceeds from issuance of shares	22(h)	-	161,857	-	161,857
Payments of share issuance expenses	22	-	(5,185)	-	(5,185)
Net cash (used in)/from financing activities		(94,558)	106,248	(36,412)	127,150
Net (decrease)/increase in cash and cash equivalents		(26,731)	42,896	(35,084)	41,209
Effect of exchange rate changes on cash and cash equivalents		56	54	-	(2)
Cash and cash equivalents at beginning of financial year		61,302	18,352	48,539	7,332
Cash and cash equivalents at end of financial year	17(c)	34,627	61,302	13,455	48,539

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Borrowings*					
At 1 January		575,691	471,136	424,907	403,294
Cash flows:					
- net (repayments)/drawdowns of borrowings		(1,103)	40,942	26,214	6,483
Non-cash flows:					
- Acquisition of property, plant and equipment	4(c)	58,358	62,767	45,501	15,130
- Unrealised loss on foreign exchange	19(f)	889	979	-	-
- Foreign currency translation differences		-	(133)	-	-
At 31 December	19	633,835	575,691	496,622	424,907

* Borrowings exclude bank overdrafts.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Lease liabilities					
At 1 January		88,679	138,062	22,269	44,585
Cash flows:					
- payment of lease liabilities		(39,884)	(65,147)	(19,119)	(22,645)
Non-cash flows:					
- Re-measurement of lease liabilities		2,758	(972)	-	(4,668)
- Acquisition of subsidiaries		1,266	-	-	-
- Derecognition of lease liabilities		(138)	-	-	-
- Drawdown of lease liabilities for right-of-use assets acquired during the financial year		23,356	15,948	23,248	4,383
- Transfer in from subsidiaries and related companies		-	-	-	318
- Unwinding of interest		1,426	849	1,091	296
- Foreign currency translation differences		22	(61)	-	-
At 31 December	6	77,485	88,679	27,489	22,269

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at Lot 3, Jalan Sultan Mohamed 5, Kawasan Perindustrian Bandar Sultan Sulaiman, 42000 Port Klang, Selangor.

The consolidated financial statements for the financial year ended 31 December 2022 comprise the Company and its subsidiaries and the interests of the Group in associates and a joint venture. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand ("RM'000"), unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 13 April 2023.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services. The principal activities of the subsidiaries, associates and a joint venture are disclosed in Notes 8, 9 and 10 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 40.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT

Group 2022	Buildings RM'000	Freehold land RM'000	Structure and renovation RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Furniture, fittings and office equipment RM'000	Computers and peripherals RM'000	Containers RM'000	Work-in- progress RM'000	Total RM'000
Carrying amount										
At 1 January 2022	79,868	56,006	18,246	246,131	6,545	2,816	3,474	5,309	53,211	471,606
Additions	29,256	19,984	2,094	57,989	3,287	598	880	1,568	3,323	118,979
Disposals	-	-	-	(1,065)	-	-	(3)	-	-	(1,068)
Written off	-	-	(2)	(144)	-	-	(1)	-	-	(147)
Transferred from right-of-use assets (Note 6)	-	-	-	42,366	-	-	-	-	-	42,366
Acquisition of a subsidiary (Note 38)	-	-	7	27,095	79	114	36	-	-	27,331
Depreciation charge for the financial year	(3,394)	-	(1,912)	(29,442)	(1,049)	(622)	(1,745)	(861)	-	(39,025)
Reclassification	45,663	-	1,293	1,671	-	(20)	3	(214)	(48,396)	-
Reclassification to non-current assets held for sale (Note 18)	(51)	-	(4,542)	-	-	-	-	-	-	(4,593)
Foreign currency translation differences	-	-	-	(148)	36	(74)	78	19	-	(89)
At 31 December 2022	151,342	75,990	15,184	344,453	8,898	2,812	2,722	5,821	8,138	615,360

Group 2022	-----At 31 December 2022-----			
	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Buildings	203,272	(48,356)	(3,574)	151,342
Freehold land	75,990	-	-	75,990
Structure and renovation	24,571	(9,323)	(64)	15,184
Vehicles and mechanical equipment	817,529	(472,827)	(249)	344,453
Other vehicles	15,884	(6,951)	(35)	8,898
Furniture, fittings and office equipment	15,529	(12,704)	(13)	2,812
Computers and peripherals	39,639	(36,902)	(15)	2,722
Containers	11,832	(6,011)	-	5,821
Work-in-progress	8,138	-	-	8,138
	1,212,384	(593,074)	(3,950)	615,360

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2021	Buildings RM'000	Freehold land RM'000	Structure and renovation RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Furniture, fittings and office equipment RM'000	Computers and peripherals RM'000	Containers RM'000	Work-in- progress RM'000	Total RM'000
Carrying amount										
At 1 January 2021	83,810	56,006	16,814	198,394	3,575	3,429	4,015	2,255	15,657	383,955
Additions	182	-	1,922	26,852	3,829	350	1,259	3,525	44,386	82,305
Disposals	-	-	-	(1,028)	(253)	(6)	(1)	-	-	(1,288)
Written off	-	-	(76)	(6)	-	(12)	(1)	-	-	(95)
Transferred from right-of-use assets (Note 6)	-	-	-	42,435	34	-	-	-	-	42,469
Acquisition of a subsidiary (Note 38)	-	-	-	-	-	4	1	-	-	5
Depreciation charge for the financial year	(2,282)	-	(1,622)	(23,268)	(728)	(867)	(1,891)	(476)	-	(31,134)
Reclassification	1,720	-	1,800	3,144	97	(40)	102	9	(6,832)	-
Reclassification to non-current assets held for sale (Note 18)	(3,562)	-	(592)	-	-	(27)	-	-	-	(4,181)
Foreign currency translation differences	-	-	-	(392)	(9)	(15)	(10)	(4)	-	(430)
At 31 December 2021	79,868	56,006	18,246	246,131	6,545	2,816	3,474	5,309	53,211	471,606

Group 2021	-----At 31 December 2021-----			
	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Buildings	128,410	(44,968)	(3,574)	79,868
Freehold land	56,006	-	-	56,006
Structure and renovation	27,661	(9,122)	(293)	18,246
Vehicles and mechanical equipment	646,936	(399,418)	(1,387)	246,131
Other vehicles	12,649	(6,069)	(35)	6,545
Furniture, fittings and office equipment	14,563	(11,734)	(13)	2,816
Computers and peripherals	38,685	(35,196)	(15)	3,474
Containers	11,161	(5,852)	-	5,309
Work-in-progress	53,211	-	-	53,211
	989,282	(512,359)	(5,317)	471,606

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2022	Buildings RM'000	Freehold land RM'000	Structure and renovation RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Furniture, fittings and office equipment RM'000	Computers and peripherals RM'000	Work-in- progress RM'000	Total RM'000
Carrying amount									
At 1 January 2022	18,713	-	8,830	147,323	6,349	365	596	5,085	187,261
Additions	25,199	19,984	1,352	44,077	2,566	272	237	2,465	96,152
Disposals	-	-	-	(891)	-	-	-	-	(891)
Written off	-	-	(2)	(144)	-	-	-	-	(146)
Transferred in from subsidiaries	-	-	-	6,813	-	7	8	-	6,828
Transferred from right-of-use assets (Note 6)	-	-	-	35,170	-	-	-	-	35,170
Depreciation charge for the financial year	(557)	-	(795)	(18,901)	(729)	(102)	(306)	-	(21,390)
Reclassification	4,274	-	706	7,470	(7,483)	-	3	(4,970)	-
Reclassification to non-current assets held for sale (Note 18)	(51)	-	(1,420)	-	-	-	-	-	(1,471)
Reversal of impairment loss	-	-	-	713	-	-	-	-	713
At 31 December 2022	47,578	19,984	8,671	221,630	703	542	538	2,580	302,226

-----At 31 December 2022-----				
Company 2022	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Buildings	52,061	(4,483)	-	47,578
Freehold land	19,984	-	-	19,984
Structure and renovation	11,560	(2,889)	-	8,671
Vehicles and mechanical equipment	412,611	(198,127)	(235)	214,249
Other vehicles	1,865	(1,162)	-	703
Furniture, fittings and office equipment	1,822	(1,280)	-	542
Computers and peripherals	3,813	(3,275)	-	538
Work-in-progress	2,580	-	-	2,580
	506,296	(211,216)	(235)	294,845

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2021	Buildings RM'000	Structure and renovation RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Furniture, fittings and office equipment RM'000	Computers and peripherals RM'000	Work-in- progress RM'000	Total RM'000
Carrying amount								
At 1 January 2021	17,323	7,600	131,136	2,706	416	616	4,065	163,862
Additions	-	1,294	15,618	3,808	45	317	5,048	26,130
Disposals	-	-	(71)	(1)	-	-	-	(72)
Transferred (out)/in (to)/from subsidiaries	-	-	(2,993)	251	-	(5)	(1,203)	(3,950)
Transferred from right-of-use assets (Note 6)	-	-	17,727	-	-	-	-	17,727
Depreciation charge for the financial year	(475)	(516)	(14,543)	(453)	(96)	(353)	-	(16,436)
Reclassification	1,865	452	449	38	-	21	(2,825)	-
At 31 December 2021	18,713	8,830	147,323	6,349	365	596	5,085	187,261

Company 2021	-----At 31 December 2021-----			
	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Buildings	22,645	(3,932)	-	18,713
Structure and renovation	11,151	(2,321)	-	8,830
Vehicles and mechanical equipment	317,628	(169,358)	(947)	147,323
Other vehicles	9,069	(2,720)	-	6,349
Furniture, fittings and office equipment	1,680	(1,315)	-	365
Computers and peripherals	3,626	(3,030)	-	596
Work-in-progress	5,085	-	-	5,085
	370,884	(182,676)	(947)	187,261

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

- (b) Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation rates and periods are as follows:

Buildings	2%
Structure and renovation	10%
Vehicles and mechanical equipment	5 - 14 years
Other vehicles	5 - 8 years
Furniture, fittings and office equipment	10%
Computers and peripherals	20% - 33.33%
Containers	10%

Freehold land has unlimited useful life and is not depreciated. Work-in-progress representing building, structure and renovation, vehicles and mechanical equipment, and software under development is stated at cost. Work-in-progress is not depreciated until such time when the asset is available for use.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT (continued)

- (c) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Purchase of property, plant and equipment	118,979	82,305	96,152	26,130
Financed by term loans	(58,358)	(62,767)	(45,501)	(15,130)
Cash payments on purchase of property, plant and equipment	60,621	19,538	50,651	11,000

- (d) The carrying amounts of property, plant and equipment of the Group and of the Company pledged as securities for banking facilities granted to the Group and the Company as disclosed in Note 19 are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Freehold land	71,033	51,517	19,516	-
Buildings	100,379	74,623	1,767	18,713
Vehicles and mechanical equipment	63,331	46,359	63,331	46,359
	234,743	172,499	84,614	65,072

- (e) During current financial year, the reversal of impairment losses is due to the disposal of prime movers during the year.

5. INVESTMENT PROPERTIES

	Leasehold land RM'000	Building RM'000	Total RM'000
Group			
2022			
Carrying amount			
At 1 January 2022	77,052	1,667	78,719
Depreciation charge for the financial year	(924)	(34)	(958)
At 31 December 2022	76,128	1,633	77,761

	At 31 December 2022		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Group			
2022			
Leasehold land	78,524	(2,396)	76,128
Building	1,693	(60)	1,633
	80,217	(2,456)	77,761

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. INVESTMENT PROPERTIES (continued)

	Leasehold land RM'000	Building RM'000	Total RM'000
Group 2021			
Carrying amount			
At 1 January 2021	-	1,693	1,693
Addition	63,615	-	63,615
Acquisition of a subsidiary (Note 38)	14,909	-	14,909
Depreciation charge for the financial year	(1,472)	(26)	(1,498)
At 31 December 2021	77,052	1,667	78,719
	-----At 31 December 2021-----		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Group 2021			
Leasehold land	78,524	(1,472)	77,052
Building	1,693	(26)	1,667
	80,217	(1,498)	78,719
	Building/Total RM'000		
Company 2022			
Carrying amount			
At 1 January 2022			1,667
Depreciation charge for the financial year			(34)
At 31 December 2022			1,633
	-----At 31 December 2022-----		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Company 2022			
Building	1,693	(60)	1,633
	Building/Total RM'000		
Company 2021			
Carrying amount			
At 1 January 2021			1,693
Depreciation charge for the financial year			(26)
At 31 December 2021			1,667

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

5. INVESTMENT PROPERTIES (continued)

	-----At 31 December 2021-----		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Company 2021			
Building	1,693	(26)	1,667
	Group		Company
	2022 RM'000	2021 RM'000	2022 RM'000
Fair value	81,923	89,678	1,951

- (a) Investment properties are property which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group and the Company. Investment properties are initially measured at cost, less any accumulated depreciation and any accumulated impairment losses.

- (b) Depreciation is calculated to write off the cost of the investment properties to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation periods for investment properties are as follows:

Building	50 years
Leasehold land	85 years

- (c) During the financial year, the Group made the following cash payments to purchase investment property:

	Group	
	2022 RM'000	2021 RM'000
Purchase of investment property	-	63,615
Unsettled and remained as other payables	-	(3,200)
Cash payments on purchase of investment property	-	60,415

- (d) Rental income generated from rental of investment properties of the Group and of the Company during the financial year amounted to RM5,953,000 and RM87,000 respectively (2021: RM2,299,000 and RM Nil).
- (e) Direct operating expenses from investment properties which generated rental income to the Group and to the Company during the financial year amounted to RM336,000 and RM32,000 respectively (2021: RM33,000 and Nil).
- (f) Fair value of investment properties for disclosure purposes, which are at Level 3 fair value, were recommended by Directors as at the end of the reporting period based on indicative market value of similar properties in the vicinity on a price per square foot basis.
- (g) Investment properties of the Group and of the Company are mainly used to generate rental income. However, the fair value of the investment properties reflects the highest and best use of the said properties should the investment properties be disposed. Currently, management does not intend to dispose off the investment properties and the existing use of the investment properties remains for rental purposes.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group and the Company as lessee

Right-of-use assets

	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Furniture, fittings and office equipment RM'000	Total RM'000
Group						
Carrying amount						
At 1 January 2022	337,458	532	98,419	355	-	436,764
Re-measurement	2,343	-	415	-	-	2,758
Additions	23,589	67	40	-	-	23,696
Acquisition of a subsidiary (Note 38)	-	162	-	1,146	18	1,326
Depreciation charge for the financial year	(9,618)	(398)	(10,850)	(106)	-	(20,972)
Derecognition	(3)	(55)	(79)	-	-	(137)
Reclassification to non-current assets held for sale (Note 18)	(39,123)	-	-	-	-	(39,123)
Transferred to property, plant and equipment (Note 4)	-	-	(42,366)	-	-	(42,366)
Exchange differences	-	(2)	59	(13)	-	44
At 31 December 2022	314,646	306	45,638	1,382	18	361,990
At 1 January 2021	346,166	1,197	148,468	399	50	496,280
Re-measurement	(972)	-	-	-	-	(972)
Additions	13,055	251	8,714	-	-	22,020
Depreciation charge for the financial year	(8,451)	(243)	(16,019)	(79)	(50)	(24,842)
Reclassification	673	(673)	(69)	69	-	-
Reclassification to non-current assets held for sale (Note 18)	(13,013)	-	-	-	-	(13,013)
Transferred to property, plant and equipment (Note 4)	-	-	(42,435)	(34)	-	(42,469)
Exchange differences	-	-	(240)	-	-	(240)
At 31 December 2021	337,458	532	98,419	355	-	436,764

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Right-of-use assets (continued)

	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Total RM'000
Company				
Carrying amount				
At 1 January 2022	104,695	3,335	37,160	145,190
Reclassification to non-current assets held for sale (Note 18)	(6,449)	-	-	(6,449)
Additions	23,588	-	-	23,588
Depreciation	(3,556)	(835)	(1,990)	(6,381)
Disposal/Written off	(2)	-	-	(2)
Transferred to property, plant and equipment (Note 4)	-	-	(35,170)	(35,170)
At 31 December 2022	118,276	2,500	-	120,776
Carrying amount				
At 1 January 2021	94,361	8,607	59,685	162,653
Re-measurement	-	(4,668)	-	(4,668)
Additions	12,113	231	-	12,344
Depreciation	(1,779)	(835)	(5,142)	(7,756)
Transfer in from subsidiaries	-	-	344	344
Transferred to property, plant and equipment (Note 4)	-	-	(17,727)	(17,727)
At 31 December 2021	104,695	3,335	37,160	145,190

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities

	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Computers and peripherals RM'000	Office equipment RM'000	Total RM'000
Group							
Carrying amount							
At 1 January 2022	32,730	569	55,266	114	-	-	88,679
Re-measurement	2,251	92	415	-	-	-	2,758
Additions	23,248	67	41	-	-	-	23,356
Acquisition of a subsidiary (Note 38)	-	-	1,195	-	-	71	1,266
Termination	-	(57)	(81)	-	-	-	(138)
Lease payments	(10,026)	(321)	(32,258)	(80)	-	(2)	(42,687)
Interest expense	2,066	26	2,132	5	-	-	4,229
Exchange differences	-	-	23	(1)	-	-	22
At 31 December 2022	50,269	376	26,733	38	-	69	77,485
Carrying amount							
At 1 January 2021	39,628	557	97,436	390	51	-	138,062
Re-measurement	(972)	-	-	-	-	-	(972)
Additions	23,782	251	11,735	-	-	-	35,768
Lease payments	(31,507)	(275)	(57,959)	(289)	(53)	-	(90,083)
Interest expense	1,799	36	4,115	13	2	-	5,965
Exchange differences	-	-	(61)	-	-	-	(61)
At 31 December 2021	32,730	569	55,266	114	-	-	88,679

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities (continued)

	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Total RM'000
Company				
Carrying amount				
At 1 January 2022	3,403	3,469	15,397	22,269
Additions	23,248	-	-	23,248
Lease payments	(2,755)	(967)	(15,815)	(19,537)
Interest expense	931	160	418	1,509
At 31 December 2022	24,827	2,662	-	27,489

Carrying amount

At 1 January 2021	-	8,669	35,916	44,585
Additions	3,940	231	212	4,383
Re-measurement	-	(4,668)	-	(4,668)
Transfer in from subsidiaries	-	-	318	318
Lease payments	(603)	(964)	(22,679)	(24,246)
Interest expense	66	201	1,630	1,897
At 31 December 2021	3,403	3,469	15,397	22,269

Represented by:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current liabilities	21,140	32,090	2,226	11,977
Non-current liabilities	56,345	56,589	25,263	10,292
	77,485	88,679	27,489	22,269

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Lease liabilities owing to financial institutions	43,065	72,611	-	15,060
Lease liabilities owing to non-financial institutions	34,420	16,068	27,489	7,209
	77,485	88,679	27,489	22,269

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

- (a) The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Land	2 to 909 years
Buildings	2 to 6 years
Vehicles and mechanical equipment	1 to 14 years
Other vehicles	5 to 10 years
Furniture, fittings and office equipment	3 to 7 years
Computers and peripherals	2 years

- (b) The Group and the Company have certain leases of machineries with lease term of 12 months or less, and low value leases of office equipment of RM20,000 and below. The Group and the Company apply the “short-term lease” and “lease of low-value assets” exemptions for these leases.

- (c) During the financial year, the Group and the Company made the following cash payments to purchase right-of-use assets:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Purchase of right-of-use assets	23,696	22,020	23,588	12,344
Financed by lease liabilities	(23,356)	(15,948)	(23,248)	(4,383)
Cash payments on purchase of right-of-use assets	340	6,072	340	7,961

- (d) The carrying amounts of right-of-use assets of the Group and of the Company pledged as securities for banking facilities granted to the Group and the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Leasehold land	257,130	304,279	82,805	93,163
Vehicles and mechanical equipment	42,031	90,151	-	37,160
Other vehicles	153	198	-	-
	299,314	394,628	82,805	130,323

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(e) The following are the amounts recognised in profit or loss:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Depreciation charge of right-of-use assets (included in cost of sales and services and administrative and operating expenses)	20,972	24,842	6,381	7,756
Interest expense on lease liabilities (included in finance costs)	4,229	5,965	1,509	1,897
Expense relating to short-term leases (included in cost of sales and services and administrative and operating expenses)	861	1,855	335	659
Expense relating to leases of low-value assets (included in cost of sales and services and administrative and operating expenses)	800	405	49	44
Variable lease payments (included in cost of sales and services)	4,362	4,334	1,082	1,549
	31,224	37,401	9,356	11,905

(f) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Included in net cash from operating activities:				
Payment relating to short-term leases and low value assets	1,661	2,260	384	703
Payment relating to variable lease payments not included in the measurement of lease liabilities	4,362	4,334	1,082	1,549
Included in net cash used in investing activities:				
Purchase of right-of-use assets	340	6,072	340	7,961
Included in net cash from/(used in) financing activities:				
Payment of lease liabilities	39,884	65,147	19,119	22,645
Total cash outflows for leases	46,247	77,813	20,925	32,858

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

- (g) The securities of lease liabilities relating to leasehold land is disclosed in Note 19(b) to the financial statements.
- (h) The Group and the Company have lease contracts for machinery and equipment that contains variable payments based on the usage of the machinery and equipment. Variable payment terms are for machinery and equipment that are used by the Group and the Company for their day-to-day operations and the usage is not fixed. Variable lease payments are recognised in profit or loss when the condition that triggers those payments occur. An amount determined based on usage of the equipment at the agreed rate will be charged to the profit or loss.
- A 10% increase in usage of the Group and of the Company would increase the total lease payment by 0.95% and 0.62% (2021: 0.60% and 0.62%) respectively.
- (i) The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.
- (j) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.
- (k) Information of financial risks of the lease liabilities were disclosed in Note 37 to the financial statements.

The Group as a lessor

The Group has entered into non-cancellable lease agreements on certain properties and renewable at the end of the lease period. The monthly rental consists of a fixed base rent.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2022 RM'000	2021 RM'000
Less than one (1) year	173	136
One (1) to two (2) years	106	131
Two (2) to three (3) years	-	72
	279	339

7. OTHER INVESTMENTS

	Group	
	2022 RM'000	2021 RM'000
Non-current		
Financial assets at fair value through profit or loss		
Club memberships	43	43
Equity securities - unquoted shares	37	37
Equity securities - quoted shares	1,045	1,261
	1,125	1,341

Information on the fair value hierarchy is disclosed in Note 36 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

8. INVESTMENTS IN SUBSIDIARIES

	Note	Company 2022 RM'000	2021 RM'000
At cost - unquoted shares			
At 1 January		497,498	487,498
Acquisition of a subsidiary	38	5,301	10,000
At 31 December		502,799	497,498
Accumulated impairment loss			
At 1 January		(35,874)	(22,325)
Charge for the financial year		(8,592)	(13,549)
At 31 December		(44,466)	(35,874)
Carrying amount		458,333	461,624

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less accumulated impairment losses, if any. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale).

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amounts and recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

8. INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022 %	2021 %	
Delta Express (M) Sdn. Bhd.	Malaysia	100	100	Freight forwarding agency services and investment holding
Swift Consolidators Sdn. Bhd.	Malaysia	100	100	Freight forwarding services
Q-Team Sdn. Bhd.	Malaysia	100	100	Sales, service and spare parts for commercial vehicles and tyre retreading and investment holding
Container Connections (M) Sdn. Bhd. ("CCMSB")	Malaysia	61.5	61.5	Container depot services and investment holding
Swift Integrated Logistics Sdn. Bhd.	Malaysia	100	100	Integrated logistics services comprising container haulage, land transportation, warehousing and container depot, freight forwarding agency services, and investment holding
Swift Crossland Logistics Co., Ltd. ^{(2) (3)}	Thailand	49	49	Land transportation and freight forwarding agency services, and investment holding
Tanjong Express (M) Sdn. Bhd.	Malaysia	100	100	Container haulage and land transportation services and investment holding
Komunajaya Sdn. Bhd.	Malaysia	100	100	Dormant
Agenda Wira Sdn. Bhd.	Malaysia	100	100	Container haulage and freight forwarding agency services
Swift Logistics Yard Sdn. Bhd. (f.k.a. Ann Joo Properties Sdn. Bhd.)	Malaysia	100	100	Investment holding
Watt Wah Petroleum Haulage Pte. Ltd. ⁽¹⁾	Singapore	100	-	Freight transport arrangement
Subsidiary of Delta Express (M) Sdn. Bhd.				
Swift Logistics TA Sdn. Bhd.	Malaysia	100	100	Freight forwarding agency services

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

8. INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022 %	2021 %	
Subsidiaries of Q-Team Sdn. Bhd.				
Fleet Engineering Services Sdn. Bhd.	Malaysia	100	100	Repair, maintenance and configuration of commercial vehicle superstructures
Q-Team Risk Management Sdn. Bhd.	Malaysia	100	100	Dormant
Subsidiaries of Swift Integrated Logistics Sdn. Bhd.				
Swift Haulage Services Sdn.Bhd.	Malaysia	100	100	Dormant
Swift Commerce Sdn. Bhd.	Malaysia	100	100	E-commerce retailing
MILS Cold Hub Sdn. Bhd.	Malaysia	100	100	Dormant
Sentiasa Hebat Sdn. Bhd.	Malaysia	100	100	Container haulage services
Sentiasa Hebat (Penang) Sdn. Bhd.	Malaysia	100	100	Dormant
Earth Move International Sdn. Bhd.	Malaysia	100	100	Freight forwarding services
Agensi Tanjung Bruas Sdn. Bhd.	Malaysia	100	100	Freight forwarding agency services
Top Tyres & Workshop Sdn.Bhd. ⁽⁴⁾	Malaysia	-	100	Dormant
Subsidiary of Swift Crossland Logistics Co., Ltd.				
Crossland Forwarders Co., Ltd. ^{(2) (3)}	Thailand	49	49	Dormant
Subsidiary of Tanjong Express (M) Sdn. Bhd.				
Tanjong Express Logistic (M) Sdn. Bhd.	Malaysia	100	100	Container haulage services
Subsidiary of Container Connections (M) Sdn. Bhd.				
Northern Gateway Depot Sdn. Bhd.	Malaysia	61.5	61.5	Container depot services

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

8. INVESTMENTS IN SUBSIDIARIES (continued)

- (1) *Subsidiary not audited by BDO member firm.*
- (2) *Subsidiaries audited by BDO member firm.*
- (3) *The Group considers that it controls Swift Crossland Logistics Co., Ltd. ("SCL") even though it owns less than 50% of the shareholdings. This is due to the Group having control over the Board and power to govern the relevant activities of SCL. The remaining 51% of the equity interests in SCL, which are held by shareholders that are not related, would not have control over SCL.*
- (4) *The subsidiary has been struck off during the financial year.*
- (a) In the previous financial year ended 31 December 2021, the Company acquired the entire equity interest comprising 10,000,000 ordinary shares in Ann Joo Properties Sdn. Bhd. ("AJPSB") for a purchase consideration of RM10,000,000.
- (b) Management reviews the investments in subsidiaries for impairment when there is an indication of impairment. Recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries. Value-in-use is the net present value of the projected future cash flows derived from business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. This discounted cash flows method involves the use of estimated future results and a set of assumptions to support their income and cash flows. Significant judgements and estimates were used to determine the key assumptions applied to the cash flow projections, which includes the growth rates and the appropriate pre-tax discount rates used for each of the subsidiary. Impairment losses are made when the carrying amounts of the investment in subsidiaries exceeds the recoverable amounts.

	2022 %	2021 %
Growth rates	4	3
Pre-tax discount rates	8	8

During the financial year, the Company recognised impairment losses of RM8,592,000 (2021: RM13,549,000) in respect of certain subsidiaries due to declining business operations. The recoverable amounts of the cost of investment in the subsidiary is based on its value-in-use ("VIU") calculations. The VIU is the net present value of the projected future cash flows derived from the business operations at an appropriate pre-tax discount rate of 8% (2021: 8%) per annum. The impairment loss on investments in subsidiaries has been recognised in administrative and operating expenses in the statements of profit or loss and other comprehensive income.

- (c) Subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	SCL	CCMSB	Total
2022			
NCI percentage of ownership interest and voting interest	51.0%	38.5%	
Carrying amount of NCI (RM'000)	(1,042)	2,182	1,140
Profit/Total comprehensive income allocated to NCI (RM'000)	478	248	726
2021			
NCI percentage of ownership interest and voting interest	51.0%	38.5%	
Carrying amount of NCI (RM'000)	(1,520)	1,934	414
Profit/Total comprehensive income allocated to NCI (RM'000)	902	150	1,052

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

8. INVESTMENTS IN SUBSIDIARIES (continued)

- (d) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

2022	SCL RM'000	CCMSB RM'000
Assets and liabilities		
Non-current assets	14,064	11,848
Current assets	17,537	8,110
Non-current liabilities	(21,126)	(2,947)
Current liabilities	(12,443)	(11,806)
Net (liabilities)/assets	(1,968)	5,205
Results		
Revenue	51,925	30,147
Profit for the financial year	937	636
Total comprehensive income	937	636
Cash flows from operating activities	2,536	8,368
Cash flows used in investing activities	(7,193)	(17)
Cash flows from/(used in) financing activities	4,635	(9,159)
Net decrease in cash and cash equivalents	(22)	(808)
2021		
Assets and liabilities		
Non-current assets	14,435	17,621
Current assets	16,563	7,347
Non-current liabilities	(18,073)	(7,714)
Current liabilities	(15,772)	(12,685)
Net (liabilities)/assets	(2,847)	4,569
Results		
Revenue	46,249	29,599
Profit for the financial year	1,769	388
Total comprehensive income	1,769	388
Cash flows from operating activities	2,575	6,148
Cash flows (used in)/from investing activities	(7,303)	1,972
Cash flows from/(used in) financing activities	4,706	(8,905)
Net decrease in cash and cash equivalents	(22)	(785)
Dividend paid to NCI	-	(289)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

9. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares, at cost	19,290	19,290	18,850	18,850
Advances to an associate	12,298	5,825	12,298	5,825
Share of post-acquisition reserves, net of dividends received	(1,398)	(475)	-	-
Less: Accumulated impairment loss - advances to an associate	(190)	(190)	(190)	(190)
	30,000	24,450	30,958	24,485

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statements of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of the profit or loss of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

The Directors of the Company consider the associates as a strategic investment of the Group to continue enabling the Group to be an integrated logistics provider, by continuing increase in its shareholdings in these associates after the financial year end as disclosed in Note 39 to the financial statements.

The details of the associates are as follows:

Name of company	Country of Incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022 %	2021 %	
Swift Autologistics Sdn. Bhd. (f.k.a. BLG Swift Logistics Sdn. Bhd.) ⁽¹⁾	Malaysia	60	60	Investment holding and provision of automotive solutions and related integrated logistics services
Global Vision Logistics Sdn. Bhd. ⁽²⁾	Malaysia	25	25	Provision of warehousing services
Subsidiary of Swift Autologistics Sdn. Bhd. (f.k.a BLG Swift Logistics Sdn Bhd)				
Swift Mega Carriers Sdn. Bhd.	Malaysia	60	60	Provision of transportation services

⁽¹⁾ The above investments are accounted for as investments in associates by virtue of ability of the Group to exercise significant influence over the financial and operating policies of the investee companies through representation in the Board of Directors of these associates.

⁽²⁾ Associate not audited by BDO PLT.

(a) During the financial year, the Directors of the Company have reassessed the nature of the amount owing by an associate and determined that the outstanding balance amounting to RM12,298,000 (2021: RM5,825,000) shall constitute as advances to the associate, which are unsecured, interest-free and settlement is neither planned nor likely to occur in the foreseeable future, and are considered to be part of the investments of the Company in providing the associate with a long term source of additional capital.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

9. INVESTMENTS IN ASSOCIATES (continued)

- (b) Impairment for advances to an associate is recognised based on general approach within MFRS 9 using the forward-looking expected credit loss model.

The reconciliation of movements in allowance for impairment accounts of advances to an associate is as follows:

	Group and Company 12-month ECL	
	2022	2021
	RM'000	RM'000
At 1 January	190	-
Charge for the financial year	-	190
At 31 December	190	190

- (c) The summarised financial information of the associates are as follows:

2022	GVLSB RM'000	SAL RM'000
Assets and liabilities		
Non-current assets	235,148	8,465
Current assets	2,585	2,577
Non-current liabilities	(246,141)	(4,222)
Current liabilities	(16)	(4,805)
Net assets	(8,424)	2,015
Results		
Revenue	-	7,787
Loss for the financial year	(1,832)	(775)
Total comprehensive loss	(1,832)	(775)
Share of results by the Group for the financial year		
Share of loss by the Group for the financial year	(455)	(468)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

9. INVESTMENTS IN ASSOCIATES (continued)

(c) The summarised financial information of the associates are as follows: (continued)

2021	GVLSB RM'000	SAL RM'000
Assets and liabilities		
Non-current assets	224,832	10,462
Current assets	2,752	4,136
Non-current liabilities	(234,168)	(4,010)
Current liabilities	(4)	(7,798)
Net (liabilities)/assets	(6,588)	2,790
Results		
Revenue	-	5,439
Loss for the financial year	(1,830)	(2,880)
Total comprehensive loss	(1,830)	(2,880)
Share of results by the Group for the financial year		
Share of loss by the Group for the financial year	(457)	(914)

(d) Reconciliation of the summarised financial information presented above to the carrying amount of the interests in the associates of the Group are as follows:

2022	GVLSB RM'000	SAL RM'000	Total RM'000
Net (liabilities)/assets as at 1 January	(6,588)	2,790	(3,798)
Total comprehensive loss attributable to associates	(1,836)	(775)	(2,607)
Net (liabilities)/assets as at 31 December	(8,424)	2,015	(6,405)
Interests in the associates as at year end	25%	60%	
Capital contribution	(2,106)	1,209	(896)
Investments in redeemable preference shares	50	-	50
Advances to an associate	18,738	-	18,738
Less: Accumulated impairment loss on advances	12,298	-	12,298
	(190)	-	(190)
Carrying value of Group's interests in the associates	28,791	1,209	30,000

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

9. INVESTMENTS IN ASSOCIATES (continued)

- (d) Reconciliation of the summarised financial information presented above to the carrying amount of the interests in the associates of the Group are as follows: (continued)

2021	GVLSB RM'000	SAL RM'000	Total RM'000
Net (liabilities)/assets as at 1 January	(4,758)	5,670	912
Total comprehensive loss attributable to associates	(1,830)	(2,880)	(4,710)
Net (liabilities)/assets as at 31 December	(6,588)	2,790	(3,798)
Interests in the associates as at year end	25%	60%	
Capital contribution	(1,647)	1,674	27
Investments in redeemable preference shares	50	-	50
Advances to an associate	18,738	-	18,738
Less: Accumulated impairment loss on advances	5,825	-	5,825
	(190)	-	(190)
Carrying value of Group's interests in the associates	22,776	1,674	24,450

10. INVESTMENT IN A JOINT VENTURE

	Group 2022 RM'000	2021 RM'000
Unquoted equity shares, at cost	10,550	10,550
Share of post-acquisition reserves, net of dividends received	782	404
	11,332	10,954

Investment in joint ventures are stated at cost in the separate financial statements. The Group recognises its interests in joint venture as investment and accounts for that investment using the equity method.

The details of the joint venture are as follows:

Name of company	Country of Incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022 %	2021 %	
Hypercold Logistics Sdn. Bhd.	Malaysia	50	50	Provision of warehousing and transportation services

- (a) In the previous financial year, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired 50% equity interest comprising 1,285,000 ordinary shares in Hypercold Logistics Sdn. Bhd. ("HCLSB") for a purchase consideration of RM10,550,000.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

10. INVESTMENT IN A JOINT VENTURE (continued)

- (b) HCLSB is an unlisted separate entity whose quoted market price is not available. The contractual arrangement provides the Group with only rights to the net assets of the joint arrangement, with the rights to assets and obligation for liabilities of the joint arrangement resting primarily with HCLSB. The joint arrangement has been included in the consolidated financial statements using the equity method.

- (c) The summarised financial information of the joint venture is as follows:

2022	HCLSB RM'000
Assets and liabilities	
Non-current assets	11,146
Current assets	9,801
Non-current liabilities	(4,556)
Current liabilities	(7,322)
Net assets	9,069
Results	
Revenue	9,753
Profit for the financial year	757
Total comprehensive income	757
Share of post-acquisition profit by the Group for the financial year	
Share of post-acquisition profit by the Group for the financial year	378
2021	HCLSB RM'000
Assets and liabilities	
Non-current assets	11,226
Current assets	4,252
Non-current liabilities	(5,087)
Current liabilities	(2,079)
Net assets	8,312
Results	
Revenue	8,342
Profit for the financial year	1,289
Total comprehensive income	1,289
Share of post-acquisition profit by the Group for the financial year	
Share of post-acquisition profit by the Group for the financial year	404

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

10. INVESTMENT IN A JOINT VENTURE (continued)

- (d) Reconciliation of the summarised financial information presented above to the carrying amount of the interest in a joint venture of the Group is as follows:

2022	HCLSB RM'000
Net assets as at acquisition date	7,504
Total comprehensive income attributable to the joint venture	1,565
Net assets as at 31 December	9,069
Fair value adjustments on identifiable assets	(147)
Adjusted net assets as at 31 December	8,922
Interest in a joint venture as at year end	50%
Goodwill	4,461
	6,871
Carrying value of Group's interest in a joint venture	11,332
2021	HCLSB RM'000
Net assets as at acquisition date	7,504
Total comprehensive income attributable to the joint venture	808
Net assets as at 31 December	8,312
Fair value adjustments on identifiable assets	(147)
Adjustments relating to the fair value on identifiable assets	*
Adjusted net assets as at 31 December	8,165
Interest in a joint venture as at year end	50%
Goodwill	4,083
	6,871
Carrying value of Group's interest in a joint venture	10,954

* The amount is immaterial to disclose.

- (e) The Group has assessed whether there are any indications of impairment during the financial year. In doing this, management considered the current environments and performance of the joint venture. Management has considered the shortfall between the adjusted net assets against the cost of investment in a joint venture in the current financial year as impairment indications.

Recoverable amounts of the investment in a joint venture are assessed by reference to the value-in-use of the joint venture company. Value-in-use is the net present value of the projected future cash flows derived from business operations of the joint venture company discounted at an appropriate pre-tax discount rate. This discounted cash flows method involves the use of estimated future results and a set of assumptions to support their income and cash flows. Significant judgements and estimates were used to determine the key assumptions applied to the cash flow projections, which includes the growth rates and the appropriate pre-tax discount rates used for each of the joint venture company. Impairment losses are made when the carrying amount of the investments in a joint venture exceed its recoverable amount. No impairment is required as the recoverable amount is higher than its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

10. INVESTMENT IN A JOINT VENTURE (continued)

(e) (continued)

	2022 %	2021 %
Growth rates	4	3
Pre-tax discount rates	8	8

11. GOODWILL ON CONSOLIDATION

	Note	Group 2022 RM'000	2021 RM'000
Cost			
At beginning of financial year		84,774	84,774
Acquisition of a subsidiary	38	478	-
		85,252	84,774
Accumulated impairment losses			
At beginning/end of financial year		(15,961)	(15,961)
Carrying amount		69,291	68,813

The carrying amounts of goodwill allocated to the Group's cash-generating-units ("CGUs") are as follows:

	Haulage, forwarding services & warehousing RM'000	Containers and depot services RM'000	Vehicles trading RM'000	Total RM'000
Group				
2022				
Goodwill on consolidation	81,552	2,464	1,236	85,252
Less: Impairment loss	(14,796)	(1,165)	-	(15,961)
	66,756	1,299	1,236	69,291
2021				
Goodwill on consolidation	81,074	2,464	1,236	84,774
Less: Impairment loss	(14,796)	(1,165)	-	(15,961)
	66,278	1,299	1,236	68,813

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

11. GOODWILL ON CONSOLIDATION (continued)

- (a) Goodwill is initially measured at cost. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.
- (b) For the purpose of impairment testing, goodwill is allocated to the Group's CGUs which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amounts of the CGUs have been determined based on value-in-use ("VIU") calculations. The VIU is calculated using the pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. VIU was determined by discounting the future cash flow generated from the business operation of the CGUs.

The cash flow forecasts are based on budgets for the next five (5) years, with various inputs, assumptions and a terminal value thereafter with no terminal growth rate. The cash flows were probability weighted based on the following scenarios:

Group 2022	Best case	Base case	Worst case
Weighting	30%	50%	20%
Revenue growth rates			
Haulage, forwarding services & warehousing	5%	4%	3%
Containers and depot services	5%	4%	3%
Vehicles trading	4%	3%	2%
Expenses growth rates			
Haulage, forwarding services & warehousing	2% to 3%	3% to 6%	4% to 7%
Containers and depot services	3%	4%	8%
Vehicles trading	3%	4%	4%
Pre-tax discount rates			
Haulage, forwarding services & warehousing	8%	8%	8%
Containers and depot services	8%	8%	8%
Vehicles trading	8%	8%	8%
2021	Best case	Base case	Worst case
Weighting	30%	50%	20%
Revenue growth rates			
Haulage, forwarding services & warehousing	5%	3%	(2%) to 1%
Containers and depot services	5%	3%	(30%)
Vehicles trading	3%	1%	(4%)
Expenses growth rates			
Haulage, forwarding services & warehousing	1% to 2%	2% to 5%	3% to 6%
Containers and depot services	3%	3%	8%
Vehicles trading	2%	3%	4%
Pre-tax discount rates			
Haulage, forwarding services & warehousing	8%	8%	8%
Containers and depot services	8%	8%	8%
Vehicles trading	8%	8%	8%

Management has assigned probability weighting to each scenario based on its expectations for uncertainties of economic conditions. Management has assigned probability weighting to each scenario based on its assessment of the likelihood of the scenarios, taking into account various macroeconomic factors, such as Malaysia Gross Domestic Product ("GDP"), inflation, unemployment and transport and services GDP.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

11. GOODWILL ON CONSOLIDATION (continued)

- (c) The sensitivity of the impairment assessment to a reasonably possible change in each of the key inputs with all other variables held constant is as follows:

Change in assumption	2022	2021
Probability weighted	Best case: 5% Worst case: 50% Best case: 45%	Base case: 5% Base case: 50% Worst case: 45%
Revenue growth rates		
Haulage, forwarding services & warehousing	(6%) to (3%)	(5%) to (2%)
Containers and depot services	(5%)	(5%)
Vehicles trading	(5%)	(5%)
Expenses growth rates		
Haulage, forwarding services & warehousing	3% to 5%	3% to 5%
Containers and depot services	1%	1%
Vehicles trading	4%	4%
Pre-tax discount rates		
Haulage, forwarding services & warehousing	3%	3%
Containers and depot services	2%	2%
Vehicles trading	3%	3%

The management believes that a reasonably possible change in the key assumptions on which management has based its determination of the CGUs' recoverable amounts would not cause the CGUs' carrying amounts at year end to further exceed their recoverable amounts.

12. INTANGIBLE ASSETS

Group and Company	Software development costs/Total RM'000
Carrying amount	
At 1 January 2022	576
Addition	251
At 31 December 2022	827

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

12. INTANGIBLE ASSETS (continued)

	-----At 31 December 2022-----		
	Cost RM'000	Accumulated amortisation RM'000	Total RM'000
Software development costs	827	-**	827

	Software development costs/Total RM'000		
Group and Company			
Carrying amount			
At 1 January 2021			-
Addition			576
At 31 December 2021			576

	-----At 31 December 2021-----		
	Cost RM'000	Accumulated amortisation RM'000	Total RM'000
Software development costs	576	-*	576

*No amortisation as the software was in development stage.

**No amortisation was provided as the software was completed at the end of the financial year.

Intangible assets with finite lives such as software is initially measured at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives.

Software development costs comprise of costs charged by a software developer as well as salaries of personnel involved in the development project.

13. INVENTORIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At cost				
Spare parts and consumable goods	7,204	7,245	2,611	2,540
Prime movers	3,095	8,563	-	-
	10,299	15,808	2,611	2,540

(a) Inventories are stated at the lower of cost and net realisable value.

Cost is determined using weighted average formula. Cost of consumables comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

(b) During the financial year, inventories of the Group and of the Company recognised as cost of sales amounted to RM54,270,000 and RM15,695,000 (2021: RM68,897,000 and RM27,979,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

14. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current					
Other receivables					
Amounts owing by subsidiaries	(e)	-	-	88,947	66,213
Less: Impairment losses	(i)	-	-	(2,614)	(3,587)
		-	-	86,333	62,626
Total trade and other receivables (non-current)					
		-	-	86,333	62,626
Current					
Trade receivables					
Trade accruals	(b)	26,874	27,721	9,542	8,613
Third parties	(b)	170,142	203,205	24,803	22,915
Amount owing by a related party	(c)	91	107	-	-
Amount owing by an associate	(c)	301	101	-	-
Amounts owing by subsidiaries	(c)	-	-	24,141	4,520
		197,408	231,134	58,486	36,048
Less: Impairment losses					
- third parties	(g)	(13,703)	(12,714)	(1,597)	(1,436)
- subsidiaries	(i)	-	-	(322)	(679)
Total trade receivables		183,705	218,420	56,567	33,933
Other receivables					
Amounts owing by subsidiaries	(d)	-	-	39,512	95,836
Amount owing by a related party	(d)	66	63	66	63
Amounts owing by associates	(d)	1,048	1,983	25	547
Other receivables		4,320	4,607	512	1,708
Deposits		5,064	8,235	1,154	1,030
Other receivables		10,498	14,888	41,269	99,184

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

14. TRADE AND OTHER RECEIVABLES (continued)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other receivables (continued)		10,498	14,888	41,269	99,184
Less: Impairment losses					
- other receivables and deposits	(i)	(447)	(724)	(372)	(529)
- subsidiaries	(i)	-	-	(1,024)	(1,555)
- associates	(i)	(12)	(1,448)	(12)	(12)
- related party	(i)	(63)	(63)	(63)	(63)
		9,976	12,653	39,798	97,025
Total receivables		193,681	231,073	182,698	193,584
Prepayments		20,359	17,137	8,302	6,377
Total trade and other receivables (current)		214,040	248,210	104,667	137,335
Total trade and other receivables (non-current and current)		214,040	248,210	191,000	199,961

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company range from 30 days to 90 days (2021: 30 days to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- Trade accruals represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts. Trade accruals are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group and the Company issues billing to the customer. There were no significant changes in the trade accruals during the financial year.
- (c) Amounts owing by a related party, an associate and subsidiaries in trade receivables are subject to normal trade credit terms granted by the Group and the Company of 60 days (2021: 60 days) from date of invoice.
- In the previous financial year, the Company renegotiated its amount owing by a subsidiary, which led to changes in the timing of the payments. The impact that arose from the renegotiation was negligible to the Company.
- (d) Amounts owing by subsidiaries, a related party and associates in other receivables represent advances, which are unsecured, interest-free and receivable within the next twelve (12) months in cash and cash equivalents.
- (e) Non-current amounts owing by subsidiaries of the Company represent loan amounts, which are unsecured, bear interest at 6% (2021: 6%) per annum and receivable within next six (6) years (2021: seven (7) years) except for advances of RM68,030,000 (2021: RM46,405,000), which is unsecured, interest-free and has a fixed repayment terms ranging from two (2) years to four (4) years (2021: two (2) years to five (5) years). The carrying amount of the amount owing by subsidiaries was reasonable approximation of its fair value due to the insignificant impact of discounting.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

14. TRADE AND OTHER RECEIVABLES (continued)

- (f) Impairment for trade receivables and trade accruals that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

In measuring the expected credit losses ("ECL") on trade receivables and trade accruals, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables and trade accruals, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information and significant increase in credit risk. The Group and the Company have identified the Malaysia gross domestic products ("GDP"), inflation, unemployment and transport and services GDP as the key macroeconomics factors.

- (g) The reconciliation of movements in the impairment losses on trade receivables and trade accruals is as follows:

Group	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total allowance RM'000
At 1 January 2022	1,784	10,930	12,714
Charge for the financial year	98	6,704	6,802
Reversal of impairment losses	(522)	(5,213)	(5,735)
Written off	-	(78)	(78)
At 31 December 2022	1,360	12,343	13,703
At 1 January 2021	1,689	6,750	8,439
Charge for the financial year	537	7,769	8,306
Reversal of impairment losses	(442)	(2,657)	(3,099)
Written off	-	(930)	(930)
Exchange differences	-	(2)	(2)
At 31 December 2021	1,784	10,930	12,714

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

14. TRADE AND OTHER RECEIVABLES (continued)

- (g) The reconciliation of movements in the impairment losses on trade receivables and trade accruals is as follows:
(continued)

Company	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total allowance RM'000
At 1 January 2022	666	770	1,436
Charge for the financial year	-	342	342
Reversal of impairment losses	(181)	-	(181)
At 31 December 2022	485	1,112	1,597
At 1 January 2021	982	1,024	2,006
Charge for the financial year	26	61	87
Reversal of impairment losses	(342)	(186)	(528)
Written off	-	(129)	(129)
At 31 December 2021	666	770	1,436

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year end.

- (h) Impairment for other receivables, amounts owing by subsidiaries, associate and related parties are recognised based on the general approach of MFRS 9. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For balances in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group and the Company defined significant increase in credit risk based on operating performance of the receivables, payment trends and past due information.

The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred, which includes receivables who are in significant financial difficulties or have defaulted on payment.

The probability of non-payment by other receivables, subsidiaries, associate and related parties are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for other receivables and amounts owing by related parties.

It requires management to exercise significant judgement in determining the probability of default by trade receivables, other receivables and amounts owing by related parties as well as the use of appropriate forward-looking information and significant increase in credit risk. The Group and the Company have identified the Malaysia gross domestic product ("GDP"), inflation rate, unemployment rate and transport and services GDP as the key macroeconomic factors.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

14. TRADE AND OTHER RECEIVABLES (continued)

- (i) The reconciliation of movements in the impairment losses on other receivables and amounts owing by related parties are as follows:

	12-month ECL RM'000	Not credit impaired RM'000	Lifetime ECL Credit impaired RM'000	Total RM'000
Group				
At 1 January 2022	594	-	1,641	2,235
Charge for the financial year	16	-	-	- 16
Reversal of impairment losses	(210)	-	(1,518)	(1,728)
Written off	-	-	(1)	(1)
At 31 December 2022	400	-	122	522
At 1 January 2021	696	283	2,115	3,094
Charge for the financial year	40	-	128	168
Reversal of impairment losses	(142)	(283)	(366)	(791)
Written off	-	-	(236)	(236)
At 31 December 2021	594	-	1,641	2,235
Company				
At 1 January 2022	1,952	3,613	860	6,425
Charge for the financial year	257	111	284	652
Reversal of impairment losses	(1,089)	(966)	(615)	(2,670)
At 31 December 2022	1,120	2,758	529	4,407
At 1 January 2021	923	11,314	401	12,638
Charge for the financial year	1,164	1	459	1,624
Reversal of impairment losses	(135)	(7,702)	-	(7,837)
At 31 December 2021	1,952	3,613	860	6,425

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

14. TRADE AND OTHER RECEIVABLES (continued)

- (j) No expected credit losses were recognised arising from trade amounts owing by a related party and an associate because the probability of default by the related party and the associate were negligible.
- (k) As at the end of each reporting period, the credit risk exposure and concentration relating to trade receivables and trade accruals of the Group and of the Company are summarised in the table below:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Maximum exposure	183,705	218,420	56,567	33,933
Collateral obtained	-	-	-	-
Net exposure to credit risk	183,705	218,420	56,567	33,933

During the financial year, the Group and the Company did not renegotiate the terms of any trade receivables.

- (l) The currency exposure profiles of trade and other receivables including trade accruals (exclude prepayments) are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
United States Dollar	160	1,395	-	-
Thai Baht	8,474	8,690	22,202	16,259
Singapore Dollar	6,031	219	-	-
Brunei Dollar	-	19	-	19
Ringgit Malaysia	179,016	220,750	160,496	177,306
	193,681	231,073	182,698	193,584

- (m) The ECL allowance for trade receivables including trade accruals of the Group and of the Company are as follows:

Group	Gross carrying amount	ECL allowance	Net carrying amount
	RM'000	RM'000	RM'000
2022			
Current	113,168	(1,495)	111,673
Past due	37,902	(390)	37,512
1 to 30 days	20,668	(734)	19,934
31 to 60 days	8,007	(570)	7,437
61 to 90 days	7,163	(870)	6,293
More than 90 days	10,500	(9,644)	856
	84,240	(12,208)	72,032
	197,408	(13,703)	183,705

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

14. TRADE AND OTHER RECEIVABLES (continued)

- (m) The ECL allowance for trade receivables including trade accruals of the Group and of the Company are as follows:
(continued)

Group	Gross carrying amount RM'000	ECL allowance RM'000	Net carrying amount RM'000
2021			
Current	132,402	(2,809)	129,593
Past due			
1 to 30 days	53,256	(1,040)	52,216
31 to 60 days	31,094	(720)	30,374
61 to 90 days	6,068	(881)	5,187
More than 90 days	8,314	(7,264)	1,050
	98,732	(9,905)	88,827
	231,134	(12,714)	218,420
Company			
2022			
Current	22,599	(325)	22,274
Past due			
1 to 30 days	17,362	(242)	17,120
31 to 60 days	11,337	(156)	11,181
61 to 90 days	5,176	(72)	5,104
More than 90 days	2,012	(1,124)	888
	35,887	(1,594)	34,293
	58,486	(1,919)	56,567
Company			
2021			
Current	20,911	(439)	20,472
Past due			
1 to 30 days	8,916	(187)	8,729
31 to 60 days	4,087	(689)	3,398
61 to 90 days	1,037	(23)	1,014
More than 90 days	1,097	(777)	320
	15,137	(1,676)	13,461
	36,048	(2,115)	33,933

- (n) Information on financial risks of trade and other receivables is disclosed in Note 37 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

15. DERIVATIVE

Group	Notional amount RM'000	Asset RM'000	Liability RM'000
2022			
Current			
Cross-currency interest rate swap contract	23,875	2,915	-
2021			
Current			
Cross-currency interest rate swap contract	31,375	1,284	-

- (a) Derivative asset or liability is classified as financial asset or liability at fair value through profit or loss.
- (b) The cross-currency interest rate swap had been entered into in order to operationally hedge a term loan denominated in United States Dollar ("USD") of USD15,000,000 and floating monthly interest payments on the term loan that will mature on 17 April 2023. The fair value of these components had been determined based on the difference between the monthly future rates and the strike rate.
- (c) During the financial year, the Group recognised a fair value gain of RM1,631,000 (2021: fair value gain of RM2,018,000) arising from the fair value changes of the derivative asset or liability in profit or loss of the Group.
- (d) Information on the fair value hierarchy is disclosed in Note 36 to the financial statements.
- (e) Information on financial risks of derivative is disclosed in Note 37 to the financial statements.

16. SHORT TERM FUNDS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fair value through profit or loss				
Short term funds	50,202	-	50,202	-

- (a) Short term funds are financial assets which are measured at fair value through profit or loss.
- (b) The short term funds of the Group is denominated in RM.
- (c) The management assessed that the fair value of the short term funds approximated its carrying amount largely due to the short term maturities of this instrument.
- (d) Information on the fair value hierarchy is disclosed in Note 36 to the financial statements.
- (e) Information on financial risks of short term funds is disclosed in Note 37 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

17. CASH AND BANK BALANCES

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash on hand		368	450	50	45
Cash at bank		48,147	61,661	21,654	49,201
Deposits with licensed banks	(b)	2,673	2,620	29	29
		51,188	64,731	21,733	49,275

- (a) Cash and bank balances are financial assets which are measured at amortised cost.
- (b) Deposits with licensed banks of the Group and of the Company have maturity periods ranging from 90 days to 365 days and 152 days (2021: 90 days to 365 days and 150 days) respectively with interest rates ranging from 0.45% to 2.1% and 2.1% (2021: 0.25% to 4.14% and 4.14%) per annum respectively.
- (c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as the end of the financial year:

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances		51,188	64,731	21,733	49,275
Less:					
Bank overdrafts included in borrowings	19	(13,707)	(56)	(8,249)	-
Deposits with licensed banks with maturity period of more than 3 months and pledged with licensed banks		(2,267)	(2,223)	(29)	(29)
Deposits with licensed banks with maturity period of more than 3 months		(406)	(397)	-	-
Restricted cash	(e)	(181)	(753)	-	(707)
Cash and cash equivalents included in the statements of cash flows		34,627	61,302	13,455	48,539

- (d) Included in deposits with licensed banks of the Group and of the Company are fixed deposits of RM2,267,000 and RM29,000 (2021: RM2,223,000 and RM29,000) respectively pledged to the licensed banks as security for banking facilities granted to the Group and to the Company as disclosed in Note 19(b) to the financial statements.
- (e) Restricted cash of the Group and of the Company of RM181,000 and RM Nil (2021: RM753,000 and RM707,000) respectively mainly represents deposits with licensed banks in connection with banking facilities granted to the Group as disclosed in Note 19(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

17. CASH AND BANK BALANCES (continued)

- (f) The currency exposure profiles of cash and bank balances are as follow:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
United States Dollar	847	798	27	11
Ringgit Malaysia	41,935	60,250	21,701	49,261
Euro	-	108	-	-
Singapore Dollar	4,230	45	5	3
Thai Baht	4,176	3,530	-	-
	51,188	64,731	21,733	49,275

- (g) No expected credit losses were recognised arising from the cash and bank balances because the probability of default by these financial institutions were negligible.
- (h) Information on financial risks of cash and bank balances are disclosed in Note 37 to the financial statements.

18. NON-CURRENT ASSETS HELD FOR SALE

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Leasehold land	6	39,123	13,013	6,449	-
Structure and renovation	4	4,542	-	1,420	-
Buildings	4	51	4,181	51	-
		43,716	17,194	7,920	-

- (a) In the previous year, the Group entered into a SPA with a third party for the sale of buildings and leasehold land held under PN7671 and PT 345, Mukim13, Daerah Seberang Perai Tengah, Pulau Pinang for a total sale consideration of RM18,200,000. The transaction has been completed on 13 January 2022.
- (b) On 16 August 2022, the Group entered into a SPA with a third party for the sale of buildings and leasehold land held under Lot 21687, Jalan Pelabuhan Klang Utara, Kawasan Perindustrian Selat Klang Utara, 42000 Pelabuhan Klang for a total sale consideration of RM36,355,375. The transaction has not been completed as at the end of the financial year.
- (c) On 29 August 2022, the Company entered into a SPA with a third party for the sale of and leasehold land held under HSD 116379 for PT198, Bandar Sultan Sulaiman, Daerah Klang, Selangor for a total sale consideration of RM9,827,572. The transaction has not been completed as at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

19. BORROWINGS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current				
Term loans	55,694	26,820	19,595	12,000
Unrated Islamic medium term notes	48,420	40,125	48,420	40,125
Trade financing	62,823	94,641	-	7,716
Revolving credits	21,548	17,334	15,000	13,000
Bank overdrafts	13,707	56	8,249	-
	202,192	178,976	91,264	72,841
Non-current				
Term loans	86,070	79,896	54,327	35,191
Unrated Islamic medium term notes	359,280	316,875	359,280	316,875
	445,350	396,771	413,607	352,066
Total borrowings				
Term loans	141,764	106,716	73,922	47,191
Unrated Islamic medium term notes	407,700	357,000	407,700	357,000
Trade financing	62,823	94,641	-	7,716
Revolving credits	21,548	17,334	15,000	13,000
Bank overdrafts	13,707	56	8,249	-
	647,542	575,747	504,871	424,907

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) All borrowings of the Group and of the Company are secured by:
- first legal charge over the freehold land, leasehold land, buildings and vehicles and mechanical equipment of the Group and of the Company with a total carrying amounts of RM600,676,000 and RM167,419,000 (2021: RM476,778,000 and RM158,235,000) respectively as disclosed in Notes 4(d) and 6(d) to the financial statements;
 - pledge of the Group and the Company's fixed deposits of RM2,267,000 and RM29,000 (2021: RM2,223,000 and RM29,000) respectively as disclosed in Note 17(d) to the financial statements; and
 - restricted cash of the Group and of the Company of RM181,000 and RM Nil (2021: RM753,000 and RM707,000) respectively as disclosed in Note 17(e) to the financial statements.
- (c) The term loans of the Group and of the Company are repayable by monthly instalments ranging from 36 months to 180 months and 36 months to 60 months (2021: 36 months to 180 months and 36 months to 60 months) respectively.
- (d) Significant covenant of the term loans of the Group and of the Company are that the debt equity ratio of the Group and of the Company shall not at any time exceed 2.25 times and 3 times (2021: 2.25 times and 3 times) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

19. BORROWINGS (continued)

- (e) As at the reporting date, the weighted average effective interest rates of the borrowings are as follows:

	Group		Company	
	2022	2021	2022	2021
	%	%	%	%
Floating rate				
Bank overdrafts	6.13	5.80	6.91	-
Unrated Islamic medium term notes	3.87	3.61	3.87	3.61
Term loans	4.49	4.50	4.10	4.20
Revolving credits	4.01	3.47	3.43	3.43
Trade financing	3.39	3.01	-	3.07

- (f) The Group entered into cross-currency interest swap contract to manage exposures to foreign currency and interest rate risks of a term loan of USD15,000,000 as disclosed in Note 15 to the financial statements. As at the end of the reporting period, the unrealised loss on foreign exchange of RM980,000 (2021: loss of RM979,000) and fair value gain on derivative of RM1,631,000 (2021: fair value gain of RM2,018,000) on the term loans are recognised in the profit or loss of the Group.
- (g) During the financial year, the Company issued third tranche of the Unrated Islamic Medium Term Notes amounting to RM90 million (2021: RM60 million) in nominal value under a 7-year Islamic medium term note programme of up to RM90 million in nominal value ("Sukuk Murabahah Programme").

The proceeds raised from the Sukuk Murabahah Programme shall be utilised to refinance existing borrowings, finance capital expenditures, working capital requirements and defray expenses incurred in relation to the Sukuk Murabahah Programme.

- (h) The currency exposure profiles of borrowings are as follow:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
United States Dollar	33,335	33,335	-	-
Ringgit Malaysia	582,398	536,054	504,871	424,907
Thai Baht	5,617	6,358	-	-
Singapore Dollar	26,192	-	-	-
	647,542	575,747	504,871	424,907

- (i) Information of financial risks of borrowings are disclosed in Note 37 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

20. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current					
Other payable					
Amount owing to a subsidiary	(e)	-	-	80,395	73,881
Current					
Trade payables					
Third parties	(b)	68,109	60,924	11,273	10,740
Amounts owing to subsidiaries	(c)	-	-	7,088	4,068
Amount owing to a related party	(c)	40	4	-	-
		68,149	60,928	18,361	14,808
Other payables					
Amounts owing to subsidiaries	(d)	-	-	64,726	43,365
Amounts owing to related parties	(d)	40	21	40	21
Accruals		27,748	25,090	6,889	7,114
Other payables		11,352	9,707	2,064	1,264
Deposits		9,078	6,313	2,420	1,623
		48,218	41,131	76,139	53,387
Total trade and other payables (current)		116,367	102,059	94,500	68,195
Total trade and other payables (non-current and current)		116,367	102,059	174,895	142,076

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranging from 14 days to 90 days and 30 days to 90 days (2021: 14 days to 90 days and 30 days to 90 days) respectively from date of invoice.
- (c) Amounts owing to subsidiaries and a related party in trade payables are subject to normal trade credit terms granted to the Group and the Company ranging from 30 days to 90 days (2021: 30 days to 90 days) from date of invoice.
- (d) Amounts owing to subsidiaries in other payables represent advances, which are unsecured, bear interest at 2% to 6% (2021: 2% to 6%) and payable upon demand. Amounts owing to related parties represent advances which are unsecured, interest free and payable upon demand.
- (e) Non-current amount owing to a subsidiary of the Company represents loan amounts, which is unsecured, interest free and repayable within next five (5) years.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

20. TRADE AND OTHER PAYABLES (continued)

(f) The currency exposure profiles of trade and other payables are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
United States Dollar	-	657	-	8
Ringgit Malaysia	104,618	96,235	174,895	142,068
Singapore Dollar	3,004	129	-	-
Brunei Dollar	-	49	-	-
Thai Baht	8,745	4,987	-	-
Australian dollar	-	2	-	-
	116,367	102,059	174,895	142,076

(g) Information on financial risks of trade and other payables are disclosed in Note 37 to the financial statements.

21. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Balance as at 1 January	45,413	50,195	(9,343)	(1,914)
Acquisition of subsidiaries (Note 38)	3,248	-	-	-
Recognised in profit or loss (Note 29)	(2,027)	(4,782)	1,888	(7,429)
Balance as at 31 December	46,634	45,413	(7,455)	(9,343)
Presented after appropriate offsetting:				
Deferred tax assets	(7,772)	(10,033)	(7,455)	(9,343)
Deferred tax liabilities	54,406	55,446	-	-
	46,634	45,413	(7,455)	(9,343)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

21. DEFERRED TAX (continued)

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Others RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2022	51,898	36,482	(32,934)	55,446
Acquisition of subsidiary	3,256	-	(8)	3,248
Recognised in profit or loss	12,412	(9,583)	(7,117)	(4,288)
As at 31 December 2022	67,566	26,899	(40,059)	54,406
As at 1 January 2021	36,442	45,618	(29,352)	52,708
Recognised in profit or loss	15,456	(9,136)	(3,582)	2,738
As at 31 December 2021	51,898	36,482	(32,934)	55,446

Deferred tax assets of the Group

	Payables and others RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2022	4,596	38,371	(32,934)	10,033
Acquisition of subsidiary	8	-	(8)	-
Recognised in profit or loss	97	4,759	(7,117)	(2,261)
As at 31 December 2022	4,701	43,130	(40,059)	7,772
As at 1 January 2021	3,352	28,513	(29,352)	2,513
Recognised in profit or loss	1,244	9,858	(3,582)	7,520
As at 31 December 2021	4,596	38,371	(32,934)	10,033

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

21. DEFERRED TAX (continued)

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (continued)

Deferred tax liabilities of the Company

	Property, plant and equipment RM'000	Others RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2022	26,262	3,473	(29,735)	-
Recognised in profit or loss	15,244	(3,473)	(11,771)	-
As at 31 December 2022	41,506	-	(41,506)	-
As at 1 January 2021	17,886	9,424	(27,310)	-
Recognised in profit or loss	8,376	(5,951)	(2,425)	-
As at 31 December 2021	26,262	3,473	(29,735)	-

Deferred tax assets of the Company

	Payables and others RM'000	Unused tax allowances and unabsorbed capital allowances RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2022	1,008	38,070	(29,735)	9,343
Recognised in profit or loss	(300)	10,183	(11,771)	(1,888)
As at 31 December 2022	708	48,253	(41,506)	7,455
As at 1 January 2021	947	28,277	(27,310)	1,914
Recognised in profit or loss	61	9,793	(2,425)	7,429
As at 31 December 2021	1,008	38,070	(29,735)	9,343

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

21. DEFERRED TAX (continued)

- (c) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2022 RM'000	2021 RM'000
Unabsorbed capital allowances	33,511	33,267
Unused tax losses		
- Expires by 31 December 2028	44,098	44,266
- Expires by 31 December 2029	189	202
- Expires by 31 December 2030	1,889	2,021
- Expires by 31 December 2031	361	119
- Expires by 31 December 2032	379	-
Other temporary differences	(884)	2,650
	79,543	82,525

Deferred tax assets of certain subsidiaries have not been recognised in respect of the above items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised. The unused tax losses up to the year of assessment 2018 shall be deductible until year assessment 2028. The unused tax losses for the year of assessment 2019 onwards will expire in (10) years.

The amount and availability of these items to the carried forward up to the periods as disclosed above are subject to the agreement by the tax authority.

22. SHARE CAPITAL

		Group and Company			
		2022		2021	
	Note	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid:					
Ordinary shares					
Balance as at 1 January		889,805	384,714	72,861	102,785
Conversion of redeemable convertible preference shares	(e)	-	-	7,242	18,394
Conversion of convertible redeemable loan stock	(f)	-	-	42,008	106,863
		889,805	384,714	122,111	228,042
Subdivision of 1 existing ordinary to 6 new ordinary shares	(g)	-	-	610,551	-
Issuance of shares	(h)	-	-	157,143	161,857
Share issuance expenses		-	-	-	(5,185)
Balance as at 31 December		889,805	384,714	889,805	384,714

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

22. SHARE CAPITAL (continued)

	Note	Group and Company			
		2022		2021	
		Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid:					
Preference shares					
Balance as at 1 January		-	-	18,395	18,395
Conversion of redeemable convertible preference shares	(e)	-	-	(18,394)	(18,394)
Redemption of redeemable preference shares	(d)	-	-	(1)	(1)
Balance as at 31 December		-	-	-	-
		889,805	384,714	889,805	384,714

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- (b) The redeemable preference shares ("RPS")

On 12 May 2017, the Company issued 1,000 RPS at a nominal value of RM1.00 per RPS. The salient terms of the RPS were as follows:

(i) General features

- (a) The value of the RPS shall be RM1 each; and
- (b) The RPS shall rank pari passu among themselves. Amended.

(ii) Repayment capital

The RPS(s) shall rank in priority to the ordinary shares and the assets of the Company remaining after the payment of its liabilities shall be applied in paying the RPS holder any accrued dividends and issue price ahead of any payment to the ordinary shareholders.

(iii) Dividend

The RPS will be entitled to the RPS holder's investment percentage of dividends or other distribution payable by the Company and will rank in priority to the ordinary shares to such dividends or distribution.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

22. SHARE CAPITAL (continued)

(b) The redeemable preference shares ("RPS") (continued)

On 12 May 2017, the Company issued 1,000 RPS at a nominal value of RM1.00 per RPS. The salient terms of the RPS were as follows: (continued)

(iv) Voting rights

The RPS Holder(s) shall be entitled to receive notice of, and attend, all general meetings of the Company but shall not by reason of holding any RPS be entitled to vote at those meetings unless the business of the meeting is, or includes, the consideration of a resolution to:

(a) share capital reduction, variation, modification, alteration or revocation of the rights, privileges, limitations or restrictions attached to any of the RPS; and/or

(b) winding-up of the Company.

(c) The redeemable convertible preference shares ("RCPS")

On 31 December 2019, the Company has issued a total of 18,394,474 RCPS with an issue price of RM1.00 per share for cash. The terms, features and rights of the RCPS were as follows:

(i) General features

(a) The value of the RCPS shall be RM1 each;

(b) The RCPS shall rank pari passu among themselves;

(c) The rights attaching to the RCPS shall not be varied or abrogated in any way whether directly or indirectly without the prior written consent of each RCPS Holder;

(d) Any capital paid-up on the RCPS shall not be liable for cancellation or reduction in respect of any loss or depreciation;

(e) The RCPS shall be issued free from all charges, liens or other encumbrances whatsoever;

(f) The RCPS Holder(s) shall not be restricted from transferring the RCPS to any third party as it shall deem fit (save for any party who is involved in similar business with the Company, where in such instance the approval of all the parties are required) and provided that the existing shareholders of the Company shall each be first offered the option to purchase their pro rata proportion of the RCPS (based on their respective shareholding proportions of shares in the Company held by them on a fully diluted, as-converted basis); and

(g) No RCPS Holder may transfer any RCPS unless and until the proposed transferee executes and becomes bound by a Deed of Accession and delivers such executed Deed of Adherence to the Company. The parties agree and acknowledge that any transferee of RCPS will be entitled to the same rights and subject to the same obligations as an RCPS Holder.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

22. SHARE CAPITAL (continued)

(c) The redeemable convertible preference shares ("RCPS") (continued)

On 31 December 2019, the Company has issued a total of 18,394,474 RCPS with an issue price of RM1.00 per share for cash. The terms, features and rights of the RCPS were as follows: (continued)

(ii) Redemption Rights

- (a) The holders of the RCPS shall have the right at its absolute discretion, to demand the Company to redeem the RCPS at the Redemption Price as described in (b) at any time after thirty six (36) months from the Completion Date or at any date mutually agreed by the RCPS holders and the Company.
- (b) To the extent that the Company has sufficient distributable funds, the redemption price for the RCPS shall be an amount equivalent to eight per centum (8%) expected profit rate per annum on the RCPS Issue Price calculated from the Completion Date until the date of such amounts are repaid ("Redemption Price"). The Redemption Price shall exclude any payment of Preferential Dividends to the RCPS holder.
- (c) The Redemption Rights may be exercisable by the RCPS Holder(s) in respect of all or some of the RCPS.

(iii) Conversion Rights

- (a) The Company and its existing shareholders undertake that, the RCPS is convertible, at the option of the RCPS Holder(s), into fully paid-up new ordinary shares of the Company.
- (b) Subject to the approvals having been obtained from all the relevant authorities for the initial public offering of the securities of the Company in conjunction with its admission to trading on a Recognised Stock Exchange, the RCPS shall be mandatorily converted into fully paid-up new ordinary shares of the Company, on the Business Day falling immediately after the date of receipt of the last regulatory approval for the holding company's admission to trading on the Recognised Stock Exchange.
- (c) Notwithstanding the above clause, RCPS Holder(s) may at any time, exercise its Conversion Right via the issuance of a notice of conversion ("Conversion Notice"). The RCPS shall be converted into Conversion Shares within fourteen (14) Business Days from the issuance of Conversion Notice.
- (d) The conversion price shall be one (1) ordinary shares of the Company valued at RM2.54 per share, which will result in 7,241,919 ordinary shares.

(iv) Voting Rights

The RCPS Holder(s) are entitled to receive notices, reports and audited financial statements and attend any general meetings of the Company but have no right to vote at such general meetings. The RCPS do not confer or carry any right to vote with the exception to matters relating to:

- (a) share capital reduction; and/or
- (b) winding-up of the Company.

The holder of the RCPS, Persada Bina Sdn. Bhd. has signed a letter of undertaking and agreed that they will not exercise their Redemption Rights and shall exercise their Conversion Rights. Hence, RCPS have been classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

22. SHARE CAPITAL (continued)

(d) The redemption of RPS

On 23 April 2021, the Company entered into a Share Redemption Agreement with the RPS holder to redeem 1,000 RPS at RM1.00 per RPS. The redemption has been completed on 10 May 2021.

(e) The conversion of RCPS

On 30 April 2021, the Company entered into a Share Conversion Notice with the RCPS holder to convert 18,394,474 RCPS into 7,241,919 new ordinary shares at RM2.54 per share. The conversion has been completed on 7 May 2021.

(f) The conversion of convertible redeemable loan stock ("CRLS")

On 29 April 2021, the Company entered into a Share Conversion Notice with the CRLS holder to convert 106,862,842 CRLS into 42,007,518 new ordinary shares at RM2.5439 per share. The conversion has been completed on 10 May 2021.

(g) On 15 November 2021, the Company carried out a subdivision of 1 existing ordinary share in the Company to 6 new ordinary shares in the Company ("Subdivision"). Upon completion of the Subdivision, the total number of ordinary shares in the Company increased from 122,110,267 to 732,661,602 shares.

(h) On 17 December 2021, the Company undertook a public issue of 157,142,900 new ordinary shares in conjunction with the initial public offering of the Company at an issue price of RM1.03 per ordinary share.

(i) Treasury shares:

During the financial year, the Company repurchased/resold its issued ordinary shares from the open market as summarised below:

Month	Number of shares	Market price			Consideration paid RM'000
		Lowest RM	Highest RM	Average RM	
Shares repurchased					
June 2022	1,100,000	0.460	0.500	0.480	520
July 2022	1,545,000	0.430	0.490	0.460	709
August 2022	1,019,400	0.490	0.580	0.540	556
September 2022	600,000	0.490	0.550	0.510	308
October 2022	705,500	0.460	0.490	0.470	331
November 2022	1,191,000	0.440	0.510	0.460	551
December 2022	550,000	0.470	0.500	0.490	267
	6,710,900				3,242

As at 31 December 2022, 6,710,900 treasury shares at a total cost of RM3,242,913 are held by the Company. The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 and the Main Market Listing Requirements and applicable guideline of Bursa Malaysia Securities.

The number of ordinary shares was at 31 December 2022 net of treasury shares is 883,093,602 (2021: 889,804,502).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

23. EXCHANGE TRANSLATION RESERVE

	Group	
	2022	2021
	RM'000	RM'000
Non-distributable:		
Exchange translation reserve	88	106

Exchange translation reserve

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, whereby the monetary item is denominated in either the functional currency of the reporting entity or the foreign operations.

24. CONVERTIBLE REDEEMABLE LOAN STOCK ("CRLS")

	Group and Company	
	2022	2021
	RM'000	RM'000
Equity component		
At 1 January	-	106,863
Conversion of CRLS	-	(106,863)
At 31 December	-	-

On 12 May 2017, the Company issued 106,862,842 CRLS at a nominal value of RM1.00 per CRLS, with fifteen (15) years tenure. The salient terms of the CRLS were as follows:

- The CRLS is not interest-bearing;
- Unless previously redeemed, purchased and cancelled, the CRLS shall be redeemed by the issuer at the nominal value on the maturity date. However, the redemption period has lapsed within three (3) months from the issuance date; and
- The new ordinary shares issued from the conversion of CRLS will be deemed fully paid-up and rank pari passu in all respects with all existing ordinary shares of the Company.

On 29 April 2021, the Company converted 106,862,842 CRLS into 42,007,518 new ordinary shares at RM2.5439 per share as disclosed in Note 22(f).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

25. REVENUE

Revenue from contracts with customers is disaggregated in the table below by service lines and timing of revenue recognition:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
Container haulage	276,812	271,127	167,329	155,667
Land transportation	214,234	176,586	64,417	38,963
Warehousing and container depot	83,457	77,290	6,312	3,460
Freight forwarding	68,189	62,725	3,062	3,042
Others	1,076	604	8,381	7,960
	643,768	588,332	249,501	209,092

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Timing of revenue recognition				
Transferred over time	574,503	525,003	238,021	198,090
Transferred at a point in time	69,265	63,329	11,480	11,002
	643,768	588,332	249,501	209,092

(a) Services rendered

Revenue from services such as freight forwarding is recognised at a point in time when services have been rendered to the customer and coincides with the delivery of services and acceptance by customers.

Revenue from services such as container haulage, land transportation and warehousing and container depot services are recognised based on the stage of completion of the transaction and performance obligations are satisfied over time. The customer is able to benefit from the Group's and the Company's performance as it occurs and the other entity would not need to substantially reperform the Group's and the Company's performance to date. The Group and the Company have selected the output measure which can most appropriately depicts the transfer of control of the service to the customer.

(b) Others - Sale of goods

Revenue from sales of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

(d) Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 35 to the financial statements, which has been presented based on geographical location from which the sale transactions originated.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

25. REVENUE (continued)

- (e) There is no significant financing component in the revenue arising from sales of products and services rendered as the products and services are made on the normal credit terms not exceeding twelve (12) months.
- (f) Total billings of the Group and of the Company amounted to RM1,174,827,000 and RM305,294,000 (2021: RM1,023,645,000 and RM250,633,000) respectively and include recoverable costs of RM531,059,000 and RM55,793,000 (2021: RM435,313,000 and RM41,541,000) respectively.

26. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- term loans	8,077	7,667	2,449	2,568
- bank overdrafts	81	259	39	57
- trade financing	3,419	3,657	424	540
- revolving credits	33	305	32	264
- amounts owing to subsidiaries	-	-	1,004	866
- lease liabilities	4,229	5,965	1,509	1,897
- unrated Islamic medium term notes	11,044	8,925	11,028	7,463
	26,883	26,778	16,485	13,655

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

27. PROFIT BEFORE TAXATION

Other than those disclosed elsewhere in the financial statements, profit before taxation is arrived at:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
After charging:				
Unwinding of interest for amounts owing by subsidiaries	-	-	6,621	4,201
Auditors' remuneration:				
Statutory audit				
- current year	533	515	144	137
- under/(over) provision in prior year	4	(11)	-	-
Non-statutory audit				
- current year	5	5	5	5
Bad debts written off:				
- trade receivables	142	95	1	2
- other receivables	-	5	-	5
Fair value loss on:				
- other investments	285	330	-	-
- short term funds	-	1	-	-
Loss on disposal of:				
- property, plant and equipment	26	19	-	-
Loss on foreign exchange:				
- realised	292	949	157	2
- unrealised	987	896	-	1,032
Management fees paid/payable	-	175	-	125
Rental of:				
- land	103	42	8	-
- hostel	14	11	-	-
- office equipment	121	148	-	-
- office and yard	542	258	283	419
- warehouse	621	1,638	-	210
- house	40	14	44	30
- machinery and equipment	4,108	4,093	1,131	1,593
- others	474	390	-	-
Write off of property, plant and equipment	147	95	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

27. PROFIT BEFORE TAXATION (continued)

Other than those disclosed elsewhere in the financial statements, profit before taxation is arrived at: (continued)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
And crediting:				
Accretion of discount for amount owing to a subsidiary	-	-	5,235	11,338
Compensation arising from legal suit	-	4,350	-	-
Dividend income from:				
- other investments	45	21	-	-
- subsidiaries	-	-	35,000	30,461
Fair value gain on:				
- short term funds	243	-	243	-
- derivative	1,631	2,018	-	-
Gain on foreign exchange:				
- realised	91	59	-	22
- unrealised	145	20	-	2
Gain on disposal of:				
- property, plant and equipment	1,726	3,794	719	715
- non-current assets held for sale	680	2,414	-	-
- other investments	69	377	-	-
Income distribution from short term funds	19	18	19	-
Interest income	544	361	1,820	1,462
Management fee income	-	-	3,995	3,871
Rental income	183	193	174	13

- (a) Interest income is recognised as it accrues, using the effective interest method.
- (b) Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.
- (c) Management fee is recognised at a point in time when management services is rendered.
- (d) Dividend income is recognised when the shareholder's right to receive payment is established.

28. EMPLOYEE BENEFITS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Included in:				
Cost of sales	119,974	110,503	48,339	44,571
Administrative expenses	75,992	69,868	17,545	16,996
	195,966	180,371	65,884	61,567
Analysed as:				
Salaries, wages, allowances, incentives, overtime and bonus	167,788	157,749	55,843	52,176
Defined contribution plan	20,170	16,291	7,084	6,682
Social security contribution	2,345	1,858	787	705
Other employee benefits	5,663	4,473	2,170	2,004
	195,966	180,371	65,884	61,567

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

28. EMPLOYEE BENEFITS (continued)

Included in the employee benefits of the Group and of the Company are remunerations of Directors and other key management personnel, as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Directors of the Company:				
Fees	1,028	546	950	468
Short-term employee benefits	1,620	2,060	1,620	2,060
Defined contribution plan	304	354	304	354
Social security contribution	1	1	1	1
Other employee benefits	26	14	26	14
	2,979	2,975	2,901	2,897
Directors of subsidiaries:				
Fees	140	344	-	-
Short-term employee benefits	5,021	4,638	-	-
Defined contribution plan	624	612	-	-
Social security contribution	6	6	-	-
Other employee benefits	39	18	-	-
	5,830	5,618	-	-
Other key management personnel:				
Short-term employee benefits	2,139	1,918	-	-
Defined contribution plan	269	242	-	-
Social security contribution	4	4	-	-
Other employee benefits	20	7	-	-
	2,432	2,171	-	-
	11,241	10,764	2,901	2,897

The estimated monetary value of benefits-in-kind received by the Directors other than in cash from the Group and the Company amounted to RM71,000 and RM25,000 (2021: RM93,000 and RM46,000) respectively.

No monetary value of benefits-in-kind received by other key management personnel other than in cash from the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

29. TAXATION

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax expense based on profit for the financial year:				
Malaysian income tax	13,402	12,802	111	81
Foreign income tax	350	-	-	-
Deferred tax (Note 21)	(3,140)	(1,839)	(2,968)	(3,402)
Real property gains tax	977	739	-	-
	11,589	11,702	(2,857)	(3,321)
Under/(Over)-provision in prior years:				
Income tax	357	151	(81)	(46)
Deferred tax (Note 21)	1,113	(2,943)	4,856	(4,027)
	13,059	8,910	1,918	(7,394)

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated taxable profit for the fiscal year.
- (b) The numerical reconciliation between the taxation and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before taxation	62,277	57,081	25,817	31,496
Taxation at statutory tax rate of 24% (2021: 24%)	14,947	13,699	6,196	7,559
Tax effects in respect of:				
Income not subject to tax	(4,286)	(5,455)	(9,064)	(11,996)
Tax incentives and allowances	(4,027)	(5,100)	(4,027)	(5,100)
Expenses not deductible for tax purposes	4,344	8,523	4,038	6,216
Movement in deferred tax assets not recognised	(716)	(704)	-	-
Effect of different tax rate in other country	350	-	-	-
Real property gains tax	977	739	-	-
Subtotal carried forward	11,589	11,702	(2,857)	(3,321)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

29. TAXATION (continued)

- (b) The numerical reconciliation between the taxation and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows: (continued)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Subtotal brought forward	11,589	11,702	(2,857)	(3,321)
Under/(Over)-provision in prior years:				
- Income tax	357	151	(81)	(46)
- Deferred tax	1,113	(2,943)	4,856	(4,027)
Taxation for the financial year	13,059	8,910	1,918	(7,394)

- (c) Tax on each component of other comprehensive income is as follows:

2022	Before tax	Group	After tax
	RM'000	Tax effect	RM'000
		RM'000	
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	(18)	-	(18)
2021			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	671	-	671

30. EARNINGS PER SHARE

- (a) Basic

	Group
	2022
	2021
Profit attributable to owners of the parent (RM'000)	48,492
Weighted average number of ordinary shares in issue ('000)	886,875
Basic earnings per ordinary share (sen)	5.47

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

30. EARNINGS PER SHARE (continued)

(b) Diluted

	Group 2022	2021
Profit attributable to owners of the parent (RM'000)	48,492	47,119
Weighted average number of ordinary shares in issue ('000)	886,875	633,801
Diluted earnings per ordinary share (sen)	5.47	7.43

31. DIVIDEND

	Group and Company			
	2022		2021	
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
Interim cash dividend paid	1.00	8,855	-	-
Interim cash dividend proposed	1.00	8,813	1.80	16,016
	2.00	17,668	1.80	16,016

On 24 February 2022, the Company declared a first interim single tier dividend of RM0.0180 per ordinary share amounted to RM16,016,481 in respect of the financial year ended 31 December 2021, which was paid on 24 March 2022.

On 17 August 2022, the Company declared the first interim single tier dividend of RM0.01 per ordinary share amounted to RM8,854,900 in respect of financial year ended 31 December 2022, which was paid on 21 October 2022.

On 27 February 2023, the Company declared the second interim single tier dividend of RM0.01 per ordinary share amounted to RM8,812,886 in respect of financial year ended 31 December 2022, which was paid on 6 April 2023. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

The Directors do not recommend the payment of any other dividend in respect of the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

32. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct subsidiaries, associates, related parties and a joint venture of the Company and the direct and indirect subsidiaries of the major shareholder of the Company.

Related parties of the Group include:

- (i) Direct subsidiaries, associates and a joint venture as disclosed in Notes 8, 9 and 10 to the financial statements;
 - (ii) Companies in which the Directors have financial interests; and
 - (iii) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.
- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	2022	2021
	RM'000	RM'000
With related party, Persada Bina Sdn. Bhd. Management fee paid/payable	-	(175)
With related party, Kaypi Technologies Sdn. Bhd. Purchase of office equipment paid/payable Rental of office equipment paid/payable	(8) (5)	(80) (1)
With related party, Pelikan Asia Sdn. Bhd. Purchase of stationery Forwarding income received/receivable Warehouse income received/receivable	(386) 5 183	(499) 61 196
With related party, SM Security (M) Sdn. Bhd. Security services	(229)	(229)
With associate, Swift Mega Carriers Sdn. Bhd. Office and yard rental Tyres and tubes repair and maintenance Truck management fees paid/payable	60 46 5	60 110 1
With associate, Swift Autologistics Sdn. Bhd. (f.k.a. BLG Swift Logistics Sdn. Bhd.) Rental income received/receivable Warehouse income received/receivable Transportation income received/receivable	72 1,117 -	72 1,199 1

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

32. RELATED PARTY DISCLOSURES (continued)

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (continued)

	Company	
	2022	2021
	RM'000	RM'000
With subsidiary, Swift Consolidators Sdn. Bhd.		
Transport income received/receivable	6,592	6,539
Management fee received/receivable	71	67
Interest expenses paid/payable	(83)	(82)
Forwarding expenses paid/payable	(6,236)	(1,811)
Dividend income received/receivable	2,000	1,000
With subsidiary, Delta Express (M) Sdn. Bhd.		
Interest expenses paid/payable	-	(6)
Dividend income received/receivable	12,000	8,000
With subsidiary, Q-Team Sdn. Bhd.		
Tyres, tubes, repair and maintenance paid/payable	(7,025)	(5,652)
Purchase of prime movers and trailers paid/payable	(24,741)	(9,223)
Repair and maintenance received/receivable	270	280
Management fee received/receivable	187	175
Interest income received/receivable	215	215
Rental of equipment paid/payable	(255)	(255)
Transport income received/receivable	164	98
Dividend income received/receivable	-	1,000
Handling fees and service contract maintenance	(76)	(66)
With subsidiary, Swift Crossland Logistics Co., Ltd.		
Transport income received/receivable	6,326	6,862
Transport charges paid/payable	(11,722)	(7,362)
Interest income received/receivable	1,064	1,077
With subsidiary, Swift Integrated Logistics Sdn. Bhd.		
Transport income received/receivable	26,487	13,992
Transport charges paid/payable	(6,088)	(1,642)
Management fee received/receivable	1,901	1,727
Interest income received/receivable	187	16
Interest expense paid/payable	(261)	(180)
Rental of prime mover and trailer paid/payable	(68)	(1,039)
Rental of office paid/payable	(74)	(130)
Rental of yard paid/payable	(705)	(899)
Tyres, tubes, repair and maintenance paid/payable	(17)	(48)
Rental of prime mover and trailer received/receivable	69	136

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

32. RELATED PARTY DISCLOSURES (continued)

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (continued)

	Company	
	2022	2021
	RM'000	RM'000
With subsidiary, Container Connections (M) Sdn. Bhd.		
Depot gate charges paid/payable	(701)	(711)
Haulage income received/receivable	2	21
Transport charges paid/payable	(42)	(86)
Repair charges	(239)	(235)
Dividend income received/receivable	-	461
Warehouse income received/receivable	1,201	1,201
Repair and maintenance received/receivable	370	376
Management fee received/receivable	42	42
Interest expense paid/payable	-	(17)
With subsidiary, Tanjong Express (M) Sdn. Bhd.		
Dividend income received/receivable	13,000	12,000
Haulage income received/receivable	10,102	4,381
Transport expenses paid/payable	(3,510)	(2,720)
Workshop management fee paid/payable	(2,237)	(2,632)
Rental of prime mover and trailer paid/payable	-	(21)
Rental of office paid/payable	-	(22)
Repair and maintenance received/receivable	2,432	2,605
Rental of prime mover and trailer received/receivable	-	48
Management fee received/receivable	659	615
Interest expense paid/payable	(85)	-
With subsidiary, Komunajaya Sdn. Bhd.		
Purchase of trailer paid/payable	-	(1,426)
Repair and maintenance paid/payable	-	(432)
Transport income received/receivable	-	2
Forwarding income received/receivable	-	13
Dividend income received/receivable	8,000	5,000
Management fee received/receivable	141	131
With subsidiary, Agenda Wira Sdn. Bhd.		
Dividend income received/receivable	-	3,000
Transport income received/receivable	16	-
Transport expenses paid/payable	(498)	-
Rental of vehicles paid/payable	-	(293)
Interest expense paid/payable	(1)	(16)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

32. RELATED PARTY DISCLOSURES (continued)

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (continued)

	Company	
	2022	2021
	RM'000	RM'000
With indirect subsidiary, Swift Logistics TA Sdn. Bhd.		
Transport income received/receivable	57,685	60,237
Transport charges paid/payable	(2,018)	(3,453)
Management fee received/receivable	716	805
Rental of office paid/payable	(88)	(88)
Repair and maintenance received/receivable	-	2
Interest expenses paid/payable	(536)	(563)
With indirect subsidiary, Fleet Engineering Sdn. Bhd.		
Purchase of superstructure paid/payable	-	(26)
Rental of office paid/payable	(451)	(451)
With indirect subsidiary, Tanjong Express Logistic (M) Sdn. Bhd.		
Transport income received/receivable	3,180	2,145
Transport expenses paid/payable	-	(5)
Repair and maintenance paid/payable	(1)	(12)
Management fee received/receivable	331	309
With indirect subsidiary, Swift Commerce Sdn. Bhd.		
Purchase of goods	(47)	(73)
With indirect subsidiary, Sentiasa Hebat Sdn. Bhd.		
Transport income received/receivable	571	-
Transport expenses paid/payable	(7,539)	(8,070)
Repair and maintenance received/receivable	682	1,314
With indirect subsidiary, Sentiasa Hebat (Penang) Sdn. Bhd.		
Transport income received/receivable	-	24
With indirect subsidiary, Northern Gateway Depot Sdn. Bhd.		
Depot gate charges paid/payable	(231)	(233)
With indirect subsidiary, Agensi Tanjung Bruas Sdn. Bhd.		
Transport income received/receivable	5,928	7,633
Interest expense paid/payable	(20)	(2)
Forwarding expenses paid/payable	(16)	(116)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

32. RELATED PARTY DISCLOSURES (continued)

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (continued)

	Company	
	2022 RM'000	2021 RM'000
With indirect subsidiary, Earth Move International Sdn. Bhd. Transport income received/receivable	-	37
With associate, Swift Mega Carriers Sdn. Bhd. Repair and maintenance received/receivable	35	49
With related party, Kaypi Technologies Sdn. Bhd. Purchase of computers received/receivable	-	16
Rental of office equipment paid/payable	(1)	(1)
With related party, Persada Bina Sdn. Bhd. Management fee paid/payable	-	(125)
With related party, SM Security (M) Sdn. Bhd. Security services	(229)	(229)
With related party, Pelikan Asia Sdn. Bhd. Purchase of stationery	(175)	(165)

The related party transactions described above were carried out based on negotiated terms and conditions and mutually agreed with respective related parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2022 are disclosed in Notes 14 and 20 to the financial statements.

- (c) Compensation of key management personnel

The key management personnel comprise the Executive Directors and other key management personnel of the Group and of the Company and their remuneration during the financial year are disclosed in Note 28 to the financial statements.

33. CAPITAL COMMITMENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:				
- approved but not contracted for	-	4,155	-	-
- contracted but not provided for	17,143	41,276	8,974	32,226
	17,143	45,431	8,974	32,226

NOTES TO THE FINANCIAL STATEMENTS

— 31 DECEMBER 2022 —

33. CAPITAL COMMITMENTS (continued)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Analysed as follows:				
- buildings	-	29,150	-	29,150
- structure and renovation	1,857	-	-	-
- vehicles and mechanical equipment	15,286	13,761	8,974	3,076
- furniture, fittings and office equipment	-	492	-	-
- computers and peripherals	-	2,028	-	-
	17,143	45,431	8,974	32,226

34. GUARANTEES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unsecured corporate guarantees given to licensed banks for facilities granted to certain subsidiaries				
- Limit of guarantee	-	-	152,670	126,148
- Amount utilised	-	-	90,818	81,570
Secured bank guarantees to third parties	15,075	15,106	13,586	13,538

The determination of treatment of contingent liabilities is based on the view of management of the expected outcome of the contingencies for matters in the ordinary course of the business.

The Group and the Company designate guarantees given to third parties in respect of trade and contracts and to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 Insurance Contracts. The Group and the Company recognise these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Directors are of the view that the chances of the third parties and financial institutions to call upon the guarantees are remote.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

35. OPERATING SEGMENTS

The Group has four reportable operating segments that are organised and managed separately according to the nature of services, which requires different business and marketing strategies. The reportable segments are summarised as follows:

- | | |
|--------------------------------------|--|
| i. Container haulage | - Transporting laden containers to and from seaports and other locations within Peninsular Malaysia. |
| ii. Land transportation | - Movement of cargo by road comprising inland transportation and cross-border transportation. |
| iii. Warehousing and container depot | - Warehousing services such as storage, handling and managing customers' goods as well as value added services such as repacking, labelling and palletising; rental of a warehouse and open yard area; warehouse operations and management services and e-fulfilment services.
- Storage and transhipment of unladen containers, container cleaning and repair. |
| iv. Freight forwarding | - Organising end-to-end transportation of cargo i.e. sea, air and land freight forwarding, project logistics, in-plant logistics and ship husbandry. |

Other non-reportable segments comprise other services which complement and support the core logistics services such as sales, service and spare parts dealership for commercial vehicles and general insurance agency services. Other services also include e-commerce retailing and corporate headquarters.

The accounting policies of operating segments are the same as those described in the financial statements.

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the similar lines as sales to external customers and is eliminated in the financial statements. These policies have been applied consistently throughout the financial years.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total costs incurred during the year to acquire segment assets that are expected to be used for more than one year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

35. OPERATING SEGMENTS (continued)

2022	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue							
External customers	276,812	214,234	83,457	68,189	1,076	-	643,768
Inter-segment	74,180	38,502	6,393	-	26,012	(145,087)	-
Total revenue	350,992	252,736	89,850	68,189	27,088	(145,087)	643,768
Interest income	46	25	16	86	371	-	544
Depreciation of property, plant and equipment	(21,019)	(11,311)	(5,057)	(988)	(650)	-	(39,025)
Depreciation of right-of-use assets	(4,470)	(3,860)	(11,227)	(555)	(860)	-	(20,972)
Depreciation of investment properties	-	-	(924)	-	(34)	-	(958)
Finance costs	(3,638)	(3,192)	(5,941)	(940)	(13,172)	-	(26,883)
Share of losses of associates	-	-	-	-	(923)	-	(923)
Share of profit of a joint venture	-	-	-	-	378	-	378
Profit/(Loss) before taxation	25,741	15,406	9,463	36,531	(24,044)	(820)	62,277
Taxation							(13,059)
Other material non-cash items:							
- Net gain/(loss) on impairment of financial assets	479	(17)	(16)	1,545	(1,162)	-	829
- Gain on disposal of property, plant and equipment	708	975	42	1	-	-	1,726
- Gain on disposal of non-current assets held for sale	-	-	-	-	680	-	680

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

35. OPERATING SEGMENTS (continued)

2022	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Total RM'000
Assets						
Segment assets	398,614	237,284	460,406	172,093	230,317	1,498,714
Investments in associates						30,000
Investment in a joint venture						11,332
Current tax assets						8,083
Deferred tax assets						7,772
Total assets						1,555,901
Additions to capital expenditures	67,890	15,888	58,224	351	573	142,926
Liabilities						
Segment liabilities	45,715	84,400	73,348	74,132	563,799	841,394
Current tax liabilities						3,741
Deferred tax liabilities						54,406
Total liabilities						899,541

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

35. OPERATING SEGMENTS (continued)

2021	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue							
External customers	271,127	176,586	77,290	62,725	604	-	588,332
Inter-segment	49,560	28,358	7,721	-	15,872	(101,511)	-
Total revenue	320,687	204,944	85,011	62,725	16,476	(101,511)	588,332
Interest income	71	21	16	88	165	-	361
Depreciation of property, plant and equipment	(16,593)	(8,511)	(4,312)	(976)	(742)	-	(31,134)
Depreciation of right-of-use assets	(8,344)	(5,173)	(9,285)	(551)	(1,489)	-	(24,842)
Depreciation of investment properties	-	-	(1,473)	-	(25)	-	(1,498)
Finance costs	(4,498)	(3,646)	(3,365)	(1,931)	(13,338)	-	(26,778)
Share of losses of associates	-	-	-	-	(1,371)	-	(1,371)
Share of profit of a joint venture	-	-	-	-	404	-	404
Profit/(Loss) before taxation	32,001	11,865	10,978	24,157	(21,676)	(244)	57,081
Taxation							(8,910)
Other material non-cash items:							
- Net gain/(loss) on impairment of financial assets	1,346	(105)	(49)	(6,091)	125	-	(4,774)
- Gain on disposal of property, plant and equipment	3,024	640	46	-	84	-	3,794
- Gain on disposal of non-current assets held for sale	-	-	-	-	2,414	-	2,414

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

35. OPERATING SEGMENTS (continued)

2021	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Total RM'000
Assets						
Segment assets	356,036	209,095	441,778	195,620	202,517	1,405,046
Investments in associates						24,450
Investment in a joint venture						10,954
Current tax assets						8,010
Deferred tax assets						10,033
Total assets						1,458,493
Additions to capital expenditures	30,526	21,670	113,743	862	1,715	168,516
Liabilities						
Segment liabilities	68,392	59,308	82,655	93,500	462,630	766,485
Current tax liabilities						1,289
Deferred tax liabilities						55,446
Total liabilities						823,220

Geographical information

The Group operates mainly in Malaysia and Overseas.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers.

Non-current assets are based on the geographical location of the assets of the Group and do not include other investments and deferred tax assets.

	2022 RM'000	Group 2021 RM'000
Revenue from external customers		
Malaysia	621,172	545,313
Overseas	22,596	43,019
	643,768	588,332

	2022 RM'000	Group 2021 RM'000
Non-current assets		
Malaysia	1,124,688	1,077,447
Overseas	41,873	14,435
	1,166,561	1,091,882

Major customer

Included in total revenue is revenue generated from one customer amounting to approximately RM68,154,000 (2021: RM59,098,000), representing 10.6% (2021: 10.0%) of the total revenue, arising from three (3) segments which are container haulage, land transportation and warehousing and container depot.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

36. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concern while maximising return to the shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 31 December 2021.

The Group monitors capital utilisation on the basis of gearing ratio and net gearing ratio. Gearing ratio represents total debt divided by total equity attributable to owners of the parent whereas net gearing ratio represents total debt less cash and bank balances and short term funds divided by total equity attributable to owners of the parent.

There are no changes made on the capital management, policies and procedures of the Group and of the Company during the financial year.

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Borrowings	647,542	575,747	504,871	424,907
Less:				
Cross-currency interest rate swap	(2,915)	(1,284)	-	-
Net borrowings after cross-currency interest rate swap	644,627	574,463	504,871	424,907
Lease liabilities owing to:				
- financial institutions	43,065	72,611	-	15,060
- non-financial institutions	34,420	16,068	27,489	7,209
Total debt	722,112	663,142	477,382	447,176
Less:				
Cash and bank balances	(51,188)	(64,731)	(21,733)	(49,275)
Short term funds	(50,202)	-	(50,202)	-
Total net debt	620,722	598,411	405,447	397,901
Total equity attributable to owners of the parent	655,220	634,859	488,562	492,776
Gearing ratio	110.2%	104.5%	97.7%	90.7%
Net gearing ratio	94.7%	94.3%	83.0%	80.7%

Pursuant to the requirements of Practice Note No.17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five per centum (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement during the financial year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

36. FINANCIAL INSTRUMENTS (continued)

(b) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, trade and other payables, short term borrowings and lease liabilities, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values as the current rates offered to the Group approximate to the market rates for similar borrowing of the same remaining maturities.

The carrying amounts of the current portion of lease liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.

- (ii) Lease liabilities are accounted for as long term financial liabilities

The fair value of these financial instruments are estimated based on future contractual cash flows discounted at incremental borrowing rate for similar type of borrowing or leasing arrangements at the end of the reporting period.

- (iii) Club memberships

The fair values of club memberships are reasonably approximation by reference to comparable market value of similar investment.

Club membership is classified as fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 2 in fair value hierarchy.

- (iv) Non-current amounts owing by subsidiaries, amount owing to a subsidiary and long-term borrowings

The fair values of these financial instruments are estimated by discounting the expected future cash flows at market lending rates for similar types of lending, borrowing or leasing arrangements at the end of the reporting period. At the end of the reporting period, these amounts are carried at amortised costs and the carrying amounts approximate to their fair values.

- (v) Short term funds and equity securities

The fair value of short term funds and quoted shares of equity securities are determined by reference to the exchange quoted market bid price at the close of the business at the end of each reporting period. The fair value is categorised as Level 1 in fair value hierarchy.

Unquoted shares of equity securities are estimated based on adjusted net asset method. The fair value is categorised as Level 3 in fair value hierarchy.

- (vi) Financial guarantees

The Company provides corporate guarantees and bank guarantees to financial institutions for banking facilities granted to certain subsidiaries. The fair value of such financial corporate guarantees is negligible as the probability of the subsidiaries defaulting on the banking facilities are remote.

- (vii) Derivative financial asset and liability

The fair value of the derivative is determined by using mark-to-market values at the end of the reporting date and change in the fair value is recognised in profit or loss. There is no transfer between levels in the hierarchy during the financial year. The fair value is categorised as Level 2 in fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

36. FINANCIAL INSTRUMENTS (continued)

(c) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial liabilities

Fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For lease liabilities, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The significant unobservable input used in determining the fair value measurement of Level 3 financial instrument as well as the relationship between key unobservable input and fair value, is detailed in the table below:

Financial instrument	Valuation technique used	Significant unobservable input	Inter-relationship between key unobservable input and fair value
<u>Financial assets</u>			
Amounts owing by subsidiaries	Discounted cash flows approach	Discount rate (2022: 6% 2021: 6%)	The higher the discount rate, the lower the fair value of the asset would be.
Equity securities - Unquoted shares	Adjusted net assets approach	Adjusted net assets	The higher the adjusted net assets, the higher the fair value of the unquoted shares would be.
<u>Financial liability</u>			
Amount owing to a subsidiary	Discounted cash flows approach	Discount rate (2022: 2% to 6% 2021: 2% to 6%)	The higher the discount rate, the lower the fair value of the liability would be.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for the shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group and the Company are exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. It is, and has been throughout for the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

Information on the management of the related exposures is detailed below.

(i) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are major licensed financial institutions and reputable multinational organisations. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of two (2) months, extending up to four (4) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

As at the end of each reporting period, no collateral has been obtained by the Group and the Company. The maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

As at 31 December 2022, other than the amounts owing by subsidiaries constituting approximately 78% (2021: 83%) of the total receivables of the Company, the Group and the Company do not have any significant concentration of credit risk related to any individual customer or counterparty.

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and bank balances deemed adequate to finance the Group's activities.

The Group is actively managing its operating cash flows to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profiles of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31 December 2022				
Group				
Trade and other payables	116,367	-	-	116,367
Borrowings	222,260	428,880	58,445	709,585
Lease liabilities	23,670	33,370	43,559	100,599
Financial guarantees*	15,075	-	-	15,075
	377,372	462,250	102,004	941,626

As at 31 December 2021

Group

Trade and other payables	102,059	-	-	102,059
Borrowings	193,529	309,626	127,488	630,643
Lease liabilities	34,934	49,998	12,558	97,490
Financial guarantees*	15,106	-	-	15,106
	345,628	359,624	140,046	845,298

As at 31 December 2022

Company

Trade and other payables	94,500	93,889	-	188,389
Borrowings	85,943	396,359	56,100	538,402
Lease liabilities	3,360	7,608	33,910	44,878
Financial guarantees*	166,256	-	-	166,256
	350,059	497,856	90,010	937,925

As at 31 December 2021

Company

Trade and other payables	68,195	85,219	-	153,414
Borrowings	86,857	265,214	124,741	476,812
Lease liabilities	12,904	9,693	1,363	23,960
Financial guarantees*	139,686	-	-	139,686
	307,642	360,126	126,104	793,872

* This disclosure represents the maximum liquidity risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises mainly from the Group's borrowings, lease liabilities and deposits placed with licensed banks. The Group manages the borrowings and lease liabilities through the use of fixed and floating rates and monitors the interest rates on borrowings and lease liabilities closely to ensure that the borrowings and lease liabilities are maintained at favourable rates.

In the prior financial year, the Group entered into cross-currency interest rate swap contract to manage exposures to interest rate risks.

The notional amount and maturity date of the interest rate swap contract outstanding as at the end of the reporting period are as follows:

	Contractual amount in Foreign Currency USD'000	Equivalent amount in Ringgit Malaysia RM'000	Expiry date
At 31 December 2022			
Group			
Derivative			
Cross-currency interest rate swap contract	6,083	23,875	17 April 2023
At 31 December 2021			
Group			
Derivative			
Cross-currency interest rate swap contract	7,994	31,375	17 April 2023

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's and the Company's profit after tax to a reasonably possible change in 100 basis points against interest rates of instruments, with all other variables held constant:

			Group		Company	
			2022	2021	2022	2021
			RM'000	RM'000	RM'000	RM'000
			Profit	Profit	Profit	Profit
			after tax	after tax	after tax	after tax
Note						
Floating rates						
Short term funds	16	- 100 basis points higher	+382	-	-	-
		- 100 basis points lower	-382	-	-	-
Term loans	19	- 100 basis points higher	-1,077	-811	-562	-359
		- 100 basis points lower	+1,077	+811	+562	+359
Unrated Islamic medium term notes	19	- 100 basis points higher	-3,099	-2,713	-3,099	-2,713
		- 100 basis points lower	+3,099	+2,713	+3,099	+2,713
Bank overdrafts	19	- 100 basis points higher	-104	-	-104	-
		- 100 basis points lower	+104	-	+104	-
Trade financing	19	- 100 basis points higher	-477	-719	-	- 59
		- 100 basis points lower	+477	+719	-	+ 59
Revolving credits	19	- 100 basis points higher	-164	-132	-114	-99
		- 100 basis points lower	+164	+132	+114	+99

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

Group	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2022									
Fixed rates									
Deposits with licensed banks	17	0.68	2,673	-	-	-	-	-	2,673
Lease liabilities	6	5.14	17,624	9,670	4,584	1,684	701	20,800	55,063
Floating rates									
Short term funds	16	3.80	50,202	-	-	-	-	-	50,202
Term loans	19	4.49	55,694	28,918	24,673	19,087	11,339	2,053	141,764
Unrated Islamic medium term notes	19	3.87	48,420	59,220	59,340	59,760	125,460	55,500	407,700
Lease liabilities	6	4.18	3,516	3,397	2,121	2,145	2,170	9,073	22,422
Trade financing	19	3.39	62,823	-	-	-	-	-	62,823
Revolving credits	19	4.01	21,548	-	-	-	-	-	21,548
Bank overdrafts	19	6.13	13,707	-	-	-	-	-	13,707
At 31 December 2021									
Fixed rates									
Deposits with licensed banks	17	0.33	2,620	-	-	-	-	-	2,620
Lease liabilities	6	5.68	28,569	19,962	9,340	3,876	997	-	62,744
Floating rates									
Term loans	19	4.50	26,820	41,457	17,266	12,174	6,635	2,364	106,716
Unrated Islamic medium term notes	19	3.61	40,125	46,800	49,500	49,575	49,680	121,320	357,000
Lease liabilities	6	3.88	3,521	3,539	3,417	2,138	2,158	11,162	25,935
Trade financing	19	3.01	94,641	-	-	-	-	-	94,641
Revolving credits	19	3.47	17,334	-	-	-	-	-	17,334
Bank overdrafts	19	5.80	56	-	-	-	-	-	56

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: (continued)

Company	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2022									
Fixed rates									
Deposit with a licensed bank	17	2.10	29	-	-	-	-	-	29
Amount owing by a subsidiary	14	5.33	-	2,684	2,796	2,911	2,575	7,337	18,303
Amounts owing to subsidiaries	20	4.00	64,726	-	-	-	-	-	64,726
Lease liabilities	6	4.36	2,226	1,106	804	843	883	21,627	27,489
Floating rates									
Term loans	19	4.10	19,595	19,423	15,954	12,272	6,678	-	73,922
Revolving credits	19	3.43	15,000	-	-	-	-	-	15,000
Unrated Islamic medium term notes	19	3.87	48,420	59,220	59,340	59,760	125,460	55,500	407,700
Bank Overdraft	19	6.91	8,249	-	-	-	-	-	8,249
At 31 December 2021									
Fixed rates									
Deposit with a licensed bank	17	4.14	29	-	-	-	-	-	29
Amount owing by a subsidiary	14	5.33	-	2,575	2,684	2,796	2,911	5,255	16,221
Amounts owing to subsidiaries	20	4.00	43,365	-	-	-	-	-	43,365
Lease liabilities	6	5.54	11,977	7,226	1,066	359	378	1,263	22,269
Floating rates									
Term loans	19	4.20	12,000	12,000	11,667	7,554	3,970	-	47,191
Trade financing	19	3.07	7,716	-	-	-	-	-	7,716
Revolving credits	19	3.43	13,000	-	-	-	-	-	13,000
Unrated Islamic medium term notes	19	3.61	40,125	46,800	49,500	49,575	49,680	121,320	357,000

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Group's functional currency.

During the financial year, the Group did not enter into any forward currency contract to manage exposures to currency risk for payables which are denominated in currencies other than the functional currency of the Group.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group and of the Company's profit after tax to a reasonably possible change in the United States Dollar ("USD"), Singapore Dollar ("SGD") and Thai Baht ("THB") exchange rates against the Ringgit Malaysia ("RM") respectively, with all other variables held constant. 3% is the sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

	Group	
	2022	2021
	RM'000	RM'000
Profit after tax		
USD/RM		
- strengthen by 3%	23	35
- weaken by 3%	(23)	(35)
SGD/RM		
- strengthen by 3%	165	3
- weaken by 3%	(165)	(3)
THB/RM		
- strengthen by 3%	89	165
- weaken by 3%	(89)	(165)
	Company	
	2022	2021
	RM'000	RM'000
THB/RM		
- strengthen by 3%	506	371
- weaken by 3%	(506)	(371)

The exposures to the other currencies are not significant, hence the effects of the changes in the exchange rates are not explained above.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

38. ACQUISITION OF SUBSIDIARIES

- (a) On 17 November 2022, the Company acquired the entire equity interest comprising 500,000 ordinary shares in Watt Wah Petroleum Haulage Pte Ltd. ("WWPH") for a purchase consideration of RM5,300,820.

WWPH's identifiable assets and liabilities have been included in the financial statements based on their relative fair values and allocated from the cost of acquisition at the acquisition date. The relative fair value of the assets and liabilities as at the acquisition date are as follows:

	30.11.2022 RM'000
Property, plant and equipment	27,331
Right-of-use of assets	1,326
Inventory	74
Trade and other receivables	6,209
Cash and bank balances	4,020
Total identifiable assets	38,960
Trade and other payables	(29,623)
Lease liabilities	(1,266)
Deferred tax liabilities	(3,248)
Total identifiable net assets	4,823
Goodwill (Note 11)	478
Cost of investment	5,301

The effects of the acquisition of WWPH on cash flows were as follows:

	2022 RM'000
Consideration settled in cash	(5,301)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	4,020
Net cash outflow of the Group on acquisition	(1,281)

WWPH had contributed the following results to the Group for the financial year ended 31 December 2022 from the acquisition date.

	30.11.2022 to 31.12.2022 RM'000
Revenue	2,949
Loss for the financial year	(319)

Had the acquisition occurred on 1 January 2022, revenue and profit after tax of the Group for the financial year ended 31 December 2022 are as follows:

	2022 RM'000
Revenue	677,591
Profit for the financial year	49,063

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

38. ACQUISITION OF SUBSIDIARIES (continued)

(b) In the previous financial year, the Group completed the following acquisition of shares of companies:

(i) Acquisition of Ann Joo Properties Sdn. Bhd. ("AJPSB")

On 15 July 2021, the Company acquired the entire equity interest comprising 10,000,000 ordinary shares in AJPSB. for a purchase consideration of RM10,000,000.

AJPSB's identifiable assets and liabilities have been included in the financial statements based on their relative fair values and allocated from the cost of acquisition at the acquisition date. The relative fair value of the assets and liabilities as at the acquisition date are as follows:

	15.07.2021 RM'000
Property, plant and equipment	5
Investment property	14,909
Trade and other receivables	17
Cash and bank balances	38
Total identifiable assets	14,969
Trade and other payables	(4,618)
Current tax liabilities	(351)
Total identifiable net assets/cost of acquisition	10,000

The effects of the acquisition of AJPSB on cash flow were as follows:

	2021 RM'000
Consideration settled in cash	(10,000)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	38
Net cash outflow of the Group on acquisition	(9,962)

AJPSB had contributed the following results to the Group for the financial year ended 31 December 2021 from the acquisition date.

	15.7.2021 to 31.12.2021 RM'000
Revenue	2,299
Profit for the financial year	227

Had the acquisition occurred on 1 January 2021, revenue and profit after tax of the Group for the financial year ended 31 December 2021 are as follows:

	2021 RM'000
Revenue	591,051
Profit for the financial year	50,063

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 16 August 2022, the Group entered into a SPA with a third party for the sale of buildings and leasehold land held Lot 21687, Jalan Pelabuhan Klang Utara, Kawasan Perindustrian Selat Klang Utara, 42000 Pelabuhan Klang for a total sale consideration of RM36,355,875. The transaction has not been completed as at the end of the financial year.
- (b) On 29 August 2022, the Company entered into a SPA with a third party for the sale of and leasehold land held under HSD 116379 for PT198, Bandar Sultan Sulaiman, Daerah Klang, Selangor for a total sale consideration of RM9,827,572. The transaction has not been completed as at the end of the financial year.
- (c) On 30 November 2022, the Group acquired 100% equity interest comprising 500,000 ordinary shares in Watt Wah Petroleum Haulage Pte Ltd ("WWPH") for a purchase consideration of RM5,300,820. Other details of the acquisition are disclosed in Note 38 to the financial statements.
- (d) On 30 January 2023, the Company has proposed to acquire the remaining 40% stake in Swift Autologistics Sdn. Bhd. (f.k.a BLG Swift Logistics Sdn. Bhd.) from BLG Industrielogistik GmbH & Co. KG to expand its logistics business for a total consideration of RM2,700,000. The transaction has been completed on 6 March 2023.
- (e) On 24 March 2023, the Company has proposed to acquire another 17.5% stake in Global Vision Logistics Sdn. Bhd. from Aspen Vision Properties Sdn. Bhd. to expand its logistics business for a total consideration of RM19,163,000. The transaction has not been completed as at the date of this report.
- (f) On 3 April 2023, the Company announced that Swift Logistics Yard Sdn. Bhd. (f.k.a Ann Joo Properties Sdn. Bhd.), a wholly-owned subsidiary of the Company ("Plaintiff") has taken legal proceedings against Govindasamy Naidu a/l Gopal ("First Defendant") and North West Depoh Sdn. Bhd. ("Second Defendant").

40. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

40.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective date
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

40. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

40.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contract</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contract (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendment to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

LIST OF PROPERTIES

No	Property Address	Description/ Existing Use	Tenure/ Date of expiry of lease	Land/ Built-up area (sq.ft.)	Approximate age of building	Date of acquisition	Carrying amount as at 31 December 2022	Carrying amount as at 31 December 2022 (RM'000)
1.	No 23, Lebu Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor Darul Ehsan.	Warehouse, haulage yard and 3-storey office	Leasehold for 99 years/ expiring on 30 June 2105	2,232,952/ 590,534	29 years	01.04.2009	130,007,591	130,008
2.	Lot 28, Lebu Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor Darul Ehsan.	Tenanted	Leasehold for 99 years/ expiring on 30 June 2105	1,263,231/ Nil	Nil	14.12.2011	76,127,991	76,128
3.	Lot 87989, Jalan Perigi Nenas 8/7, Seksyen 7, Taman Perindustrian Pulau Indah, 42000 Pelabuhan Klang, Selangor Darul Ehsan.	Haulage yard and container depot	Leasehold for 99 years/ expiring on 30 March 2097	2,553,770/ Nil	Nil	14.10.2013	74,464,993	74,465
4.	Lot 2939-2980, Lorong Perusahaan Sg Lonkan 6, Kawasan Perusahaan Sg Lonkan, 13400 Butterworth, Pulau Pinang.	Warehouse, haulage yard, workshop and 2-storey office	Freehold	749,600/ 152,991	26 years	28.03.2008	72,922,000	72,922
5.	Plo 137 - 138, Jalan Angkasa Mas Utama, Kawasan Perindustrian Tebrau II, 81100, Johor Bahru, Johor Darul Takzim.	Warehouse, workshop, transportation yard and 3-storey office	An initial period of 13 years, expiring on 7 July 2023 and a subsequent period of 30 years expiring on 7 April 2053	894,287/ 140,225	24 years	01.04.2009	68,190,508	68,191
6.	Lot 21687, Jalan Pelabuhan Klang Utara, Kawasan Perindustrian Selat Klang Utara, 42000 Pelabuhan Klang, Selangor Darul Ehsan.	Haulage yard	Leasehold for 99 years/ expiring on 13 July 2088	518,390/ Nil	Nil	01.12.2013	32,674,582	32,675
7.	Lot 3, Jalan Sultan Mohamed 5, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Pelabuhan Klang, Selangor Darul Ehsan.	Warehouse, haulage yard and 2 ½ storey office	Leasehold for 99 years/ expiring on 30 June 2105	348,481/ 128,373	9 years	15.09.2011	27,478,846	27,479

LIST OF PROPERTIES

No	Property Address	Description/ Existing Use	Tenure/ Date of expiry of lease	Land/ Built-up area (sq.ft.)	Approximate age of building	Date of acquisition	Carrying amount as at 31 December 2022	Carrying amount as at 31 December 2022 (RM'000)
8.	Lot 983, Mukim 16, Seberang Perai Utara, Pulau Pinang.	Haulage yard and workshop	Freehold	265,007/ Nil	Nil	19.10.2022	19,515,987	19,516
9.	Menggatal, Kota Kinabalu, Sabah No. 3, Kampung Kapa, Batu 6 1/2, Jalan Tuaran, 88450, Kota Kinabalu, Sabah.	Vacant yard	Leasehold for 99 years/ expiring on 21 October 2068, Leasehold for 99 years/ expiring on 25 April 2061, Leasehold for 999 years/ expiring on 24 June 2926	252,951/ Nil	Nil	15.03.2017	14,337,596	14,338
10.	Lot 11, Jalan Sultan Mohamed 2, Kawasan Perindustrian Sultan Suleiman, 42000 Pelabuhan Klang, Selangor Darul Ehsan.	Workshop and 3-storey office	Leasehold for 99 years/ expiring on 30 June 2105	196,021/ 71,204	25 years	17.07.1991	12,467,855	12,468

ANALYSIS OF SHAREHOLDINGS

AS AT 3 APRIL 2023

Total Number of Issued Shares	:	889,804,502 (inclusive treasury shares)
Issued Share Capital	:	RM389,899,318
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per Ordinary Share
Treasury Shares held as at 3 April 2023	:	8,605,900

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% Ordinary Shares	No. of	%
1-99	3	0.035	31	0.000
100 – 1,000	810	9.599	582,569	0.066
1,001 – 10,000	4,170	49.419	24,506,300	2.781
10,001 – 100,000	2,916	34.557	98,998,100	11.234
100,001 to less than 5% of issued shares	537	6.364	401,276,860	45.537
5% and above of issued shares	2	0.023	355,834,742	40.380
Total	8,438	100.000	881,198,602	100.000

DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES

(Based on the Register of Directors' Shareholdings)

Name of Directors	Direct Shareholdings	% (a)	Indirect Shareholdings	% (a)
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	500,000	0.057	-	-
Loo Yong Hui	50,000	0.006	335,921,102 ^(b)	38.121
Loo Hooi Keat	16,093,600	1.826	335,921,102 ^(c)	38.121
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	-	-	335,921,102 ^(b)	38.121
Dato' Gopikrishnan A/L N.S. Menon	650,000	0.074	-	-
Datuk Noripah Binti Kamsu	565,000	0.064	-	-
Rozainah Binti Awang	100,000	0.011	-	-

Notes:-

- (a) Excluding a total of 8,605,900 ordinary shares bought-back by the Company and retained as treasury shares as at 3 April 2023.
- (b) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of his substantial shareholdings in Persada Bina Sdn Bhd.
- (c) Deemed interested pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his son's substantial shareholdings in Persada Bina Sdn Bhd.

SUBSTANTIAL ORDINARY SHAREHOLDERS

(Based on the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Shareholdings	% (a)	Indirect Shareholdings	% (a)
Persada Bina Sdn Bhd	335,921,102	38.121	-	-
Kumpulan Wang Persaraan (Diperbadankan)	79,496,094	9.021	-	-
Loo Yong Hui	50,000	0.006	335,921,102 ^(b)	38.121
Loo Hooi Keat	16,093,600	1.826	335,921,102 ^(c)	38.121
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	-	-	335,921,102 ^(b)	38.121

Notes:-

- (a) Excluding a total of 8,605,900 ordinary shares bought-back by the Company and retained as treasury shares as at 3 April 2023.
- (b) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of his substantial shareholdings in Persada Bina Sdn Bhd.
- (c) Deemed interested pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his son's substantial shareholdings in Persada Bina Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS

AS AT 3 APRIL 2023

LIST OF 30 LARGEST ORDINARY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PERSADA BINA SDN BHD	276,338,648	31.359
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	79,496,094	9.021
3	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PERSADA BINA SDN BHD	31,250,680	3.546
4	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA PRIVATE EQUITY SDN BHD (FUND I)	25,976,968	2.947
5	LEMBAGA TABUNG ANGKATAN TENTERA	20,000,000	2.269
6	UOBM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PERSADA BINA SDN. BHD.	18,000,000	2.042
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (2)	15,750,000	1.787
8	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOO HOOI KEAT	15,718,600	1.783
9	ABB NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANGKA DAYAMAS SDN BHD	15,143,470	1.718
10	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR FORTRESS CAPITAL ASSET MANAGEMENT (M) SDN BHD	13,261,000	1.504
11	NG CHEE KIN	11,861,388	1.346
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANGKA DAYAMAS SDN BHD	8,000,000	0.907
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN (7000778)	7,415,600	0.841
14	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN	6,380,000	0.724
15	PERSADA BINA SDN BHD	5,831,774	0.661
16	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR FOONG CHOONG HENG (PB)	5,581,760	0.633
17	WEE KA KENG	3,404,000	0.386
18	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LO LING	3,234,200	0.367
19	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA KWOON MENG (MM0678)	2,890,220	0.327
20	LO LING	2,630,700	0.298
21	LAI NGIT SIN	2,555,000	0.289
22	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR PMB SHARIAH EQUITY FUND	2,500,000	0.283
23	YAYASAN ISLAM TERENGGANU	2,500,000	0.283
24	THONG KOK HOOW	2,414,100	0.273
25	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOK TUCK CHEONG (MY3781)	2,249,900	0.255
26	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	2,114,000	0.239
27	LEE KIN MOI	2,080,000	0.236
28	MAJLIS AGAMA ISLAM NEGERI SEMBILAN	2,000,000	0.226
29	LIM BEE HONG	1,978,000	0.224
30	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (DANA MAS MAJU)	1,943,000	0.220
TOTAL		590,499,102	67.010

SWIFT GROUP DIRECTORY

CORPORATE OFFICE

Swift Haulage Berhad

Suite 8.02, Level 8, Intan Millennium Square 2 (IMS 2),
No. 88, Jalan Batai Laut 4, Taman Intan,
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Fax : +6 03-3361 3511

CENTRAL

Swift Logistics TA Sdn. Bhd.

Forwarding & Shipping
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Swift Integrated Logistics Sdn. Bhd.

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Fax : +6 03-3343 3387

Swift Haulage Berhad

Lot 3, Jalan Sultan Mohamed 5,
Kawasan Perindustrian Bandar Sultan Sulaiman,
42000 Pelabuhan Klang,
Selangor Darul Ehsan.
Tel : +6 03-3176 0162 / +6 03-3176 0272
Fax : +6 03-3176 0364 / +6 03-3176 0131

Swift Integrated Logistics Sdn. Bhd.

Warehouse – PKA/PKB
Gate 2, Lot 23, Jalan Sultan Mohamed 1,
Kawasan Perusahaan PKNS, Fasa II,
Bandar Sultan Suleiman,
42000 Pelabuhan Klang,
Selangor Darul Ehsan.
Tel : +6 03-3169 6700

Swift Integrated Logistics Sdn. Bhd.

Cross Border, Command Centre, & BLG VDC
Gate 1, Lot 23, Jalan Sultan Mohamed 1,
Kawasan Perusahaan PKNS, Fasa II,
Bandar Sultan Suleiman,
42000 Pelabuhan Klang,
Selangor Darul Ehsan.
Tel : +6 03-3169 6700

Swift Integrated Logistics Sdn. Bhd.

Air Freight
Lot C15, Block C, Free Commercial Zone,
Malaysia Airlines Freight Forwarders Complex,
KLIA Cargo Village,
Kuala Lumpur International Airport,
64000 Sepang,
Selangor Darul Ehsan.
Tel : +6 03-8787 2724
Fax : +6 03-8787 2729

Swift Haulage Berhad

Melaka's Office
Lot 2113-1, Jalan PAK 2/1,
Kawasan Perindustrian Ayer Keroh Fasa IV,
75450 Ayer Keroh,
Melaka.
Tel : +6 06-231 0191

Tanjong Express (M) Sdn Bhd

Bukit Beruntung's Office
Inland Distribution
No 17, Jalan Kamunting 2, Seksyen 20,
Kawasan Perindustrian Jalan Kamunting,
Bandar Baru Bukit Beruntung,
48300 Rawang,
Selangor Darul Ehsan.
Tel : 1700-818-000
Fax : +6 03-602 1717

Tanjong Express (M) Sdn Bhd

Pelabuhan Klang's Office
Haulage Services
Lot. 23, Lebuhr Sultan Mohamed 1,
Kawasan Perusahaan PKNS, Fasa II,
Bandar Sultan Suleiman,
42000 Pelabuhan Klang,
Selangor Darul Ehsan.
Tel : +6 03-3176 3777
Fax : +6 03-3176 7888 / +6 03-3176 4888

Tanjong Express (M) Sdn Bhd

Sijangkang's Office
Inland Distribution
Lot 19298, Jalan Sijangkang Utama 1,
Kawasan Perindustrian Sijangkang Utama,
42500 Telok Panglima Garang,
Selangor Darul Ehsan.
Tel : +6 012-484 1665

SWIFT GROUP DIRECTORY

CENTRAL

Q-Team Sdn Bhd

Lot 11, Lebuhr Sultan Mohamed 2,
Perusahaan Selat Klang Utara,
42000 Pelabuhan Klang,
Selangor Darul Ehsan.
Tel : +6 03-3176 6088

SOUTHERN

Swift Haulage Berhad

PLO 779, Jalan Nikel Utama,
Kawasan Perindustrian Pasir Gudang,
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Tel : +6 07-256 3689
Fax : +6 07-256 3695

Swift Haulage Berhad

Workshop
PLO 516, Jalan Keluli 3,
Kawasan Perindustrian Pasir Gudang,
81700 Pasir Gudang,
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Tel : +6 07-256 3689
Fax : +6 07-256 3695

Swift Integrated Logistics Sdn. Bhd.

Warehouse, Forwarding & Inland Distribution
PLO 137 & 138, Jalan Angkasa Mas Utama,
Kawasan Perindustrian Tebrau 2,
81100 Johor Bahru,
Johor Darul Takzim.
Tel : +6 07-360 3555
Fax : +6 07-360 3655

Swift Integrated Logistics Sdn. Bhd.

Warehouse
PLO 516, Jalan Keluli 3,
Kawasan Perindustrian Pasir Gudang,
81700 Pasir Gudang,
Johor Darul Takzim.
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Swift Logistics TA Sdn. Bhd.

PLO 137 & 138, Jalan Angkasa Mas Utama,
Kawasan Perindustrian Tebrau 2,
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Johor Darul Takzim.
Tel : +6 07-360 3555
Fax : +6 07-360 3655

NORTHERN

Swift Integrated Logistics Sdn. Bhd.

Warehouse, Haulage, Forwarding, & Inland Distribution
Lot 2939-2980, ACKU Industrial Area,
Jalan Bagan Lalang,
13400 Mak Mandin, Butterworth,
Pulau Pinang.
Tel : +6 04-314 2020
Fax : +6 04-314 2060

Tanjong Express Logistic (M) Sdn Bhd

Lot 5021, Jalan Jelawat,
Seberang Jaya Industrial Park,
13700 Seberang Perai,
Pulau Pinang.
Tel : +6 04-397 6977
Fax : +6 04-390 4377

EASTERN

Swift Integrated Logistics Sdn. Bhd.

Kerteh's Office
Kuantan Kerteh Railway System,
22A, 22B & 21AA,
Kawasan Perindustrian Kerteh,
24300 Kerteh, Kemaman,
Terengganu Darul Iman.

Swift Integrated Logistics Sdn. Bhd.

Kuantan's Office
Kuantan Kerteh Railway System,
Jalan Kampung Selamat,
Kawasan Pelabuhan Kuantan,
26080 Kuantan,
Pahang Darul Makmur.
Tel : +6 09-583 8130 / +6 09-583 8314
Fax : +6 09-583 8320 / +6 09-583 8311

Swift Integrated Logistics Sdn. Bhd.

Tok Bali's Office
Unit 1.2.01 & Unit 1.2.02, Administration Complex,
Tok Bali Supply Base,
16700 Pasir Puteh,
Kelantan Darul Naim.
Tel : +6 09-778 0230

SWIFT GROUP DIRECTORY

EAST MALAYSIA

Swift Integrated Logistics Sdn. Bhd.

Kota Kinabalu's Office
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Segama Shopping Complex,
88843 Kota Kinabalu,
Sabah.
Tel: +6 088-212 069

Swift Integrated Logistics Sdn. Bhd.

Labuan's Office
Lot 10, 2nd Floor, Wisma Wong Wo Lo,
87000 Wilayah Persekutuan Labuan.
Tel : +6 087-44 0120 / +6 087-41 3611
Fax : +6 087-419 091

Swift Integrated Logistics Sdn. Bhd.

Bintulu's Office
Shop No.89, 1st Floor,
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97000 Bintulu,
Sarawak.
Tel : +6 086-310 845 / +6 086-330 438
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Swift Integrated Logistics Sdn. Bhd.

Miri's Office
2nd Floor, Lot 2213, Block 5 MCLD,
Jalan Saberka Utama,
Saberka Commercial Centre,
98000 Miri,
Sarawak.
Tel : +6 085-642 490

THAILAND

Swift Crossland Logistics Co., Ltd.

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Swift Crossland Logistics Co., Ltd.

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SINGAPORE

Watt Wah Petroleum Haulage Pte Ltd

6 Gul Avenue,
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Tel : +65 6863 2033
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NOTICE OF THE 23rd
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third ("23rd") Annual General Meeting ("AGM") of SWIFT HAULAGE BERHAD ("**Company**") will be conducted virtually at the broadcast venue at Board Room, Suite 8.02, Level 8, Intan Millennium Square 2, No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan on Wednesday, 31 May 2023 at 11:00 a.m. or at any adjournment thereof, for the following purposes:-

AGENDA

- | | |
|--|--|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors Reports thereon. | [Please refer to Explanatory Note (a)] |
| 2. To approve the payment of Directors' fees amounting to RM950,000.00 for the financial year ended 31 December 2022. | Ordinary Resolution 1 |
| 3. To approve the payment of benefits payable to the Directors up to an amount of RM50,000.00 from 1 June 2023 until the next AGM of the Company in year 2024. | Ordinary Resolution 2 |
| 4. To re-elect the following Directors who retire pursuant to Clause 21.7 of the Company's Constitution and being eligible, have offered themselves for re-election:-

(i) Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor

(ii) Datuk Noripah Binti Kamso | Ordinary Resolution 3

Ordinary Resolution 4 |
| 5. To re-appoint BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration | Ordinary Resolution 5 |

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, to pass the following Ordinary Resolutions:-

- | | |
|---|------------------------------|
| 6. ORDINARY RESOLUTION
- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS | Ordinary Resolution 6 |
|---|------------------------------|

"**THAT** subject always to the Companies Act 2016 ("**Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being;

THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company;

AND FURTHER THAT pursuant to Section 85 of the Act which is to be read together with Clause 16.6 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company arising from any issuance of new shares in the Company pursuant to the Act."

NOTICE OF THE 23rd
ANNUAL GENERAL MEETING

7. ORDINARY RESOLUTION

Ordinary Resolution 7

- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK")

"THAT subject to Section 127 of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:-

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

AND THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;-

AND FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

NOTICE OF THE 23rd
ANNUAL GENERAL MEETING

8. To transact any other business of which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689) (SSM PC No.: 201908002648)
LIM LIH CHAU (LS0010105) (SSM PC NO.: 201908001454)
Company Secretaries

Kuala Lumpur
28 April 2023

Notes:-

1. As part of the initiatives to curb the spread of COVID-19, the Meeting will be conducted on a virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities to be provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") via Tricors' online platform at <https://tjih.online>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Act and Clause 18.4(a) of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Tricor's online platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to is.enquiry@my.tricorglobal.com during the Meeting. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.

3. In respect of deposited securities, only members whose names appear in the Record of Depositors on **24 May 2023** ("**General Meeting Record of Depositors**") shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.
4. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

NOTICE OF THE 23rd
ANNUAL GENERAL MEETING

7. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy must be deposited at the registrar of Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or submit the Form of Proxy electronically at <https://tjih.online> not later than forty-eight (48) hours before the time set for holding the meeting.

Please refer to the Administrative Guide for the 23rd AGM of the Company that is available for download at www.swiftlogistics.com.my for further details.

Explanatory Note (a)

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Explanatory Notes to Ordinary and Special Business:-

(a) Ordinary Resolution 1 – Directors' Fees

Payment of the Directors' fees for the financial year ended 31 December 2022 amounting to RM950,000.00 will be made by the Company if the proposed Ordinary Resolution 1 is passed at the 23rd AGM of the Company.

(b) Ordinary Resolution 2 – Benefits of Directors

The proposed Ordinary Resolution 2, if passed, will authorise the payment of the Directors' benefits up to an amount of RM50,000.00 with effect from 1 June 2023 until the next AGM of the Company in year 2024 that comprises of meeting allowance.

(c) Ordinary Resolutions 3 and 4 – Re-election of Directors

Clause 21.7 of the Constitution of the Company states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

In determining the eligibility of the Directors to stand for re-election at the forthcoming 23rd AGM, the NRC has considered the following:-

- (i) Directors' self-assessment and peer-to-peer performance evaluation;
- (ii) Evaluation on the effectiveness of the Board as a whole and the Committees of the Board.

The Board approved the NRC's recommendation for the retiring Directors pursuant to Clause 21.7 of the Constitution of the Company. All the retiring Directors have consented to their re-election and abstained from deliberation as well as decision on their own eligibility to stand for re-election at the relevant NRC and Board meetings, where applicable.

(d) Ordinary Resolution 5 – Re-appointment of Auditors

The Audit and Risk Management Committee ("ARMC") have assessed the suitability and independence of the External Auditors and recommended the re-appointment of BDO PLT as External Auditors of the Company for the financial year ending 31 December 2023. The Board has in turn reviewed the recommendation of the ARMC and recommended the same to be tabled to the shareholders for approval at the forthcoming 23rd AGM of the Company under Resolution 5.

NOTICE OF THE 23rd
ANNUAL GENERAL MEETING

(e) Ordinary Resolution 6
Authority to Issue Shares Pursuant to the Act and Waiver of Pre-Emptive Rights

The Company had been granted a general mandate on the authority to issue and allot shares pursuant to the Act by its shareholders at the Twenty-Second AGM of the Company held on 15 June 2022 ("**Previous Mandate**").

As at the date of this Notice, the Company has not issued any new ordinary shares pursuant to the Previous Mandate granted by the shareholders and hence no proceeds were raised therefrom.

The proposed Ordinary Resolution 6, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund-raising activities, including but not limited to placement of shares for the purpose of funding Company's current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

Pursuant to Section 85 of the Act to be read together with Clause 16.6 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The proposed Ordinary Resolution 6, if passed, will exclude your pre-emptive rights to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

(f) Ordinary Resolution 7
Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 7, if passed, will renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

Further details are set out in the Statement to Shareholders dated 28 April 2023 circulated together with this Annual Report.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 23rd AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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FORM OF PROXY

*I/We:

Full Name (In Block)	CDS account no.:	No. of Shares held:
Address:	NRIC/Passport/Registration no.:	
Contact No.:	Email address:	

being a *member / members of **SWIFT HAULAGE BERHAD** ("**Company**"), do hereby appoint:

First Proxy "A"

Full Name (In Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email:		
	Contact:		

AND

*Second Proxy "B"

Full Name (In Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email:		
	Contact:		

*or failing him/her, the CHAIRMAN OF THE MEETING as * my/our proxy to vote for * me/us on * my/our behalf at the Twenty-Third Annual General Meeting ("**23rd AGM**") of the Company to be conducted virtually at the broadcast venue at Board Room, Suite 8.02, Level 8, Intan Millennium Square 2, No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan on Wednesday, 31 May 2023 at 11:00 a.m. or at any adjournment thereof.

Please indicate with an "x" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

Resolution No.	Ordinary Resolution	For	Against
1.	To approve the payment of Directors' fees for the financial year ended 31 December 2022		
2.	To approve the payment of benefits payable to the Directors from 1 June 2023 until the next AGM of the Company in year 2024		
3.	To re-elect Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor who retires pursuant to Clause 21.7 of the Company's Constitution		
4.	To re-elect Datuk Noripah Binti Kamso who retires pursuant to Clause 21.7 of the Company's Constitution		
5.	To re-appoint BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration		
As Special Business			
6.	Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights		
7.	Proposed Renewal of Share Buy-Back Authority		

**strike out whichever not applicable*

Dated this _____ day of _____ 2023.

Signature of Member/Common Seal

Lastly, fold this flap for sealing

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**Postage
Stamp**

The Registrar
SWIFT HAULAGE BERHAD
[Registration No. 200001030627 (533234-V)]
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Wilayah Persekutuan

Fold here

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
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SWIFT HAULAGE BERHAD

200001030627 (533234-V)

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No. 88, Jalan Batai Laut 4,
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